London, Thursday, January 14, 1999

Clinton Says He Trusts The Senate To Do Right

Breaking Public Silence On Trial, He Puts Focus On His Need to Work'

> By Brian Knowlton ional Herald Tribun

WASHINGTON - Breaking his public silence on the impeachment crisis a day before arguments begin in his Senate trial, President Bill Clinton said somberly Wednesday that he trusted the Senate to do "the right thing" and that he would try to continue attending to the nation's husiness even as his presidency is under challenge.

I trust that the right thing will be done and I think in the meanwhile I need to work on the business of the people," he told reporters.

2 key votes to shape trial. Page 3.

Referring to the Senate trial, Mr. Clinton continued, "The important thing for me is to try to spend as little time thinking about that as possible," His comments were calm and unrstated, and seemed intended to reassure. He seemed wary of saying any-thing that might offend any senator at the outset of a process that, while politically and personally painful, the president appears almost certain to survive. The Republicans control the Senate with 55 seats; the Democrats hold 45, and it takes a two-thirds majority of 67

Mr. Clinton refused to be drawn into debate or discussion of the charges facing him: that be committed perjury and obstructed justice in seeking to conceal his affair with a former White House intern, Monica Lewinsky.

He spoke as both his lawyers and the House of Representatives team prosec-oting the impeachment case filed final

The Associated Press

ketball Association's greatest player made it official Wednesday. Michael

Jordan retired from the Chicago Bulls

after 13 seasons, six championships and countless high-flying dunks. "I played it to the best I could play

it." Jordan told a packed news con-

ference here at the United Center. "I tried to be the best hasketball player I

"I've had a great time," he said. Word of Jordan's retirement broke

late Monday, but he had refused to comment until Wednesday. After

leading the Bulls to their sixth cham-

pionship in June, Jordan had said he

would make an announcement on his

future only after the NBA lockout

"I thought about saying just two words, 'I'm gone,' but I thought I

owed my fans a lot more than that," he

said with his wife, Juanita, at his side.

a parent and would "live vicariously through my kids," whether or not

they played basketball.
"This is a perfect time for me to

Jerry Reinsdorf, and the NBA com-

missioner, David Stern.

He said he looked forward to being

could be."

CHICAGO - The National Bas-



President Clinton discussing his impeachment trial on Wednesday.

legal memoranda before the trial opens Thursday, with up to 24 hours of argument from the House managers. That will be followed, beginning Tuesday, with up to 24 hours from White House

lawyers.
The brief filed by the White House said that senators had an "obligation to turn away an unwise and unwarranted misuse of the awesome power of im-

White House lawyers cautioned that a

See CLINTON, Page 4

"This is a day I hoped would never come," Reinsdorf said. "It's a tough

day for basketball fans all over the

Jerry. This is a great day. The greatest player is retiring with the grace that describes his play."

Stern countered: "I disagree with

Jordan, asked if he had lost his de-

sire to play, responded: "The desire is always going to be there." But he said

he wanted to make sure that the desire

was there "not one-fourth of the time I

Jordan appeared with a bandage on

step onto the court, but every time."

his right index finger and said he said he severed a tendon while trying to cut a cigar and would need surgery. But he said he had decided to retire

The last time he hung up his Nike sneakers, in 1993, he said he had had

enough of the NBA grind, wanted new challenges and needed more time

with his wife and three children after

the murder of his father. But after a

short-lived minor-league baseball ca-reer, Jordan came back in 1995 and

added three more NBA titles. Now, with 13 seasons behind him,

before the accident.

His Airness' Steps Down

Jordan Says Good-Bye to Bulls and the NBA

walk away from the game," Jordan said. "I'm at peace with that."

Joining the 35-year-old Jordan at the podium were the Bulls' chairman, the podium were the Bulls' chairman, the podium were the Bulls' chairman, the podium were the bulls' chairman.

Brazil Devalues, Jolting the Markets

Currency Adjustment Triggers a New Round of Turbulence

By Larry Rohter
New York Times Service

RIO DE JANEIRO - With its authority being challenged at home and its economic policies under attack by skeptics overseas, the Brazilian govern-ment devalued the country's currency Wednesday by

The action was taken after the resignation earlier in the day of the president of the central bank, Gustavo Franco, and it followed nearly a week of precipitous declines in the stock market.

Brazil's troubles sent waves of anxiety through the financial markets, triggering a sell-off of stocks in Europe and on Wall Street by investors who were worried that events in Brazil could trigger another

round of turbulence in emerging markets. In New York, the Dow Jones industrial average plummeted 250 points in the first half-hour of trading

but later recovered about half of that loss. (Page 9)
President Fernando Henrique Cardoso cut short a
vacation and, in a nationally televised address,
vowed that all of Brazil's foreign-debt obligations would be honored.

Mr. Cardoso also said his government remaine on course to implement economic reforms that the International Monetary Fund and international lenders sought in a \$41.5 billion rescue plan presented in November.

In Washington, President Bill Clinton said he had been in contact with the IMF and other countries about the Brazilian situation, and the Group of Seven countries held emergency talks about Brazil's eco-nomy, a Germany Foreign Ministry spokesman said in Bonn. Mr. Clinton said he hoped Brazil's situation

would "be resolved in a satisfactory way."

The U.S. Treasury secretary, Robert Rubin, called for Brazil to complete "strong, credible" economic

reforms, Mr. Ruhin said that he viewed Brazil's eurrency devaluation as an effort to "enhance the

flexibility of its exchange-rate system."

Earlier, alarm at the country's situation led the Sao
Paulo stock exchange, Latin America's largest, to
delay its opening for half an hour and then triggered a stunning 10 percent decline in the key Bovespa index. At that point, a "circuit breaker" triggered an automatic shutdown of trading, which resumed in the

The Bovespa recovered to close down 5.05 per-

To restore confidence, Francisco Lopes, the new president of the central bank, opted for what Paulo Mallmann, chief economist of BicBanco in Sao Paulo, called "high-risk surgery." Since 1994, the key to Brazil's economie gains has been a rigid

See BRAZIL, Page 11

Bankruptcy Of Another Firm Deepens China Fears

By Philip Segal International Herald Tribuna

HONG KONG - Stocks of major Chinese-controlled companies trading here plunged Wednesday amid fears that their lines of credit were drying up as a second state-controlled company stunned investors by announcing that it was effectively insolvent, with debts far larger than expected.

Almost all Houg Kong-listed stocks of companies incorporated or doing business in China were purmeled amid growing fears of a debt crisis on the Chinese mainland. The Hang Seng China Enterprises Index, which tracks Chinese shares listed in Hong Kong, fell 11.5 percent. The index tracking in Hong Kong but controlled in mani-land China, fell 12.5 percent.

The perceived increase in the risk of lending to China, and the effect it could have on banks in Hong Kong, extended to Hong Kong stocks as well. The benchmark Hang Seng Index fell 4.1 percent, to 10,273.77 points.

Investors sold stocks after a subsidiry of Grandless Enterprises (Hold.

diary of Guangdong Enterprises (Holdings) Ltd. announced that its parent company had debts of \$2.94 billion and could not make principal payments to creditors due by April. More surprisingly, the subsidiary company, Guangnan (Holdings) Ltd., which is one of the principal shippers of fresh food from China into Hong Kong, said it had debts of \$391 million, at least 50 percent more than most analysts had expected.

Combined with news that Guangdong Enterprises was in serious financial trouble, the announcement about Guangnan sent stocks plunging. Guangnan shares fell 53 percent, while shares of its sister company, Guang-

dong Investment, fell 24 percent. Chinese shares have been badly hit since the announcement Sunday that another government-owned company that collapsed in October, Guangdong International Trust & Investment Corp., known as GITIC, had nearly double the debts previously figured — more than \$4 hillion — and that foreign creditors would not get preferential treatment by liquidators.

Nervousness over bankruptcy proeeedings has now taken a toll on lending to many other Chinese companies such as Guangnan. "If not for the GITIC issue, they'd probably be able to

See CHINA, Page 4





A Sao Paulo trader monitoring the plunge of the stock market after Brazil devalued its currency by 8 percent, triggering anxiety on bourses around the world.



Alarms Ring Anew on World Economy

With Global Growth at Risk, 'A Point of No Return Has Been Reached'

	The Dollar	
New York	Wednesday @ 4 P.M.	previous close
Euro	1.1672	1.1565
Pound	1.6482	1.6305
Yen	113.13	112.425
DM	1.6759	1.6912
FF	5.6206	5.672
Dollars per pour	d and per nuro,	
	The Dow	
-	Wednesday close	percent change
-125.12	9,349.56	-1.32%
	S&P 500	
-		percent change
-5.11	1,234,40	-0.41%
	Nasda	-
-		percent change
-3.43	2,317,32	- 0.15%

By Tom Buerkle

LONDON - After two months of renewed optimism in financial markets that drove stock prices up to record heights, Brazil's decision Wednesday to devalue its currency provided a dramatic reminder that the world economy still has huge imhal-ances that could undermine confidence in Wall Street and the dollar and slow growth around the globe, economists and analysts said.

The move by Brazil, and the resignation of the president of its central bank, Gustavo Franco, represented a major blow to the credibility of Brazilian policymakers as well as to the United States, its Group of Seven partners and the International Monetary Fund, which worked frantically

last autumn to avoid just such a devaluation. Their failure to draw a line under the Brazilian real with a \$41 billion loan program has revived the threat that the financial instability that swept Asia and Russia during the past 18 months will spread throughout Latin America, economists said.

"I'm very afraid a point of uo return has been reached," said Charles Wyplosz, professor of economics at the Graduate Institute for International Studies in Geneva. "It's the big, bad

in

жn

of

"You're bound to get a short-term repeat of all that happened after Russia because people are going to think the worst," said Richard Fox of the credit rating agency Fitch IBCA. "Argentina will be next in the line of fire."

See SHOCK, Page 11

France Proposes End to Oil Ban on Iraq

See JORDAN, Page 16

Breaking With U.S. and U.K., It Urges a New Form of Arms Monitoring

By Barbara Crossette New York Times Service

UNITED NATIONS, New York -Formally breaking with the United States and Britain, France proposed Wednesday that the oil embargo on Iraq be lifted and that a new kind of arms monitoring be created to prevent President Saddam Hussein from rearming.

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Newssta	nd Prices
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tool to achieve the goals of the Security Council," said the French proposal, which was circulated to all council members. "It needs to be lifted."

Most of the major points in the French proposal were rejected in advance by the United States. Keeping Mr. Saddam under tight sanctions, including forbidding him to sell oil freely, has . been central to American policy.

On Wednesday, the State Department spokesman, James Rubin, said there were "some positive elements" in the French proposals. But he reiterated the American position that sanctions could not be lifted until Iraqi arms programs

were rendered harmless. were rendered harmless.

[American warplanes patrolling the no-flight zone over northern Iraq attacked several surface-to-air missile installations Wednesday after being targeted by Iraqi radar, U.S. officials said, The Associated Press reported from Washington. Initial reports said at least the large missile was fired but missed one Iraqi missile was fired but missed the planes.
[The U.S. F-15s and F-16s en-

"The embargo has become the wrong countered Iraqi radar at five or more airdefense sites at about the same time. They fired missiles and precisionguided munitions in response, and early indications were that there were two direct hits, U.S. officials said.

The incidents underscored an increasingly aggressive Iraqi challenge to the no-flight zones enforced by Amer-ican and British planes in northern and southern Iraq. Mr. Saddam has nearly doubled the number of surface-to-au missile batteries in the zones and has been using them with increasing frequency to threaten allied pilots.]

The French said that the embargo which the council linked nearly eight years ago to a rigorous arms-inspection system, could no longer be defended because "it hurts the people of Iraq and keeps them hostages of their author-ities."

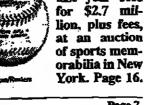
France would lift only the embargo initially, leaving other sanctions such as a ban on international air travel in and out of Iraq in place, to be lifted only if

See IRAQ, Page 4

AGENDA **Scathing Reaction** To U.S. Sanctions

Russia reacted angrily to U.S. sanctions on three research institutes suspected of allowing technology transfers to Iran, saying the sanctions are "groundless" and "counterproductive." Page 5.

The baseball that Mark Mc-Gwire turned into his record 70th home run last year sold for \$2.7 million, plus fees,



Page 8. Pages 6-7. . **Pages 16-1**7. lishment, was infuriated.

Charges Against Anwar Altered by Government

By Thomas Fuller International Herald Tribune

KUALA LUMPUR -- The government on Wednesday rewrote its corruption charges against Anwar Ibrahim, the former deputy prime minister of Malaysia, effectively eliminating the need to prove allegations of sodomy and

sexual impropriety. The prosecution will now focus more closely on charges that Mr. Anwar directed police to obtain denials from two people who had accused him of sod-

The government's sudden changes, which were accepted by Judge Augustine Paul, could, by limiting the scope of the trial, significantly shorten

That could prove beneficial to the government, which is considering calling general elections soon, and would probably see the trial as a distraction. Mr. Anwar, whose arrest, beating and trial have rocked the political estab-

They have already stripped me naked," he said to reporters in the courtroom. 'Now they are amending the charges.

The past II weeks of the trial have been filled with evidence designed to prove his homosexuality: a semenstained mattress, DNA tests and a witness who said he was Mr. Anwar's "sex slave." The trial proceedings are reported almost verbatim in newspapers

"Having smeared his reputation, it is now unjust and highly prejudicial to the accused if the charges were allowed to be amended as proposed," said Raja Aziz Addruse, Mr. Anwar's lead coun-

Mr. Anwar was more terse: "They cannot prove, they change." In his roling on the matter, the judge said: "I'm of the view that it's no real substantive change. The accused isn't

by these amended

See ANWAR, Page 4

prejudiced





Meg Maddux Wakeman, left, Elisabeth Maddux Hall and Mary Maddux outside the Bordeaux courthouse. Ira Einhorn, above, with his wife, Annika Flodin. Mr. Einhorn jumped bail and fied to Europe in 1981 while awaiting trial for Holly Maddux's murder in Philadephia.

A Plea to France for American's Extradition

By Anne Swardson shington Post Service

ORDEAUX - The memory of Holly Maddux guides her three sisters with a crystal-clear purity, and it led them here this week to confront the man convicted in

absentia of her brutal slaying 21 years ago.

Mary Maddux, Elisabeth Maddux Hall and Meg
Maddux Wakeman traveled from three corners of the United States to a court here to see if France would agree to extradite Ira Einhorn, 58, who jumped bail and fled to Europe in 1981.

In that, they were disappointed. The French court put off a decision until Feb. 18. But the sisters did

get a chance to confront Mr. Einhorn, an anti-Vietnam war activist and self-styled 1960s connterculture guru who once was known as Philadelphia's first "flower child."

Mr. Einhorn was convicted in Pennsylvania courts in absentia of bludgeoning Miss Maddux to death in 1977 and storing her body in a steamer trunk in a closet of the Philadelphia apartment they shared. The body was not discovered for a year and a half. Mr. Einhorn was arrested in 1979 hut insisted that the CIA had framed him because of research he

was conducting into paranormal phenomena.

Freed on \$40,000 bail — his defense lawyer was Arlen Specter, now a Republican senator from Pennsylvania - he fled to Europe. He lived under assumed names in Ireland, England and Swedeo

aury-old converted mill near Bordeaux until his arrest in June 1997.

As Mr. Einhorn, his dark beard of two decades ago oow a wispy white goatee, rounded a corner toward the courtroom in Bordeaux accompanied by his wife, his lawyers and a pack of television cameras, he passed within inches of Mrs. Hall as her sisters stood nearby. The sisters are driven by their memories of Holly, memories that have twice now carried them to France from their homes in Seattle, Boston and Fort Worth, Texas, to press for Mr.

They remember the agonizing 18 months during which Holly was missing, and they remember the look on their mother's face the day she learned that

Holly's mummified body had been found. The French judge, Claude Arrighi, gave no reas on for delaying the extradition decision. The Maddux sisters, struggling to sound positive, said they hoped it meant that all information was being care-

fully considered.
"I would assume they have a good reason; I hope they have a good reason," said Mrs. Wakeman, 42.
"I'll be back. This is for my sister."

Their activism was sparked by an unexpected setback. After Mr. Einhorn's arrest, they had assumed his extradition would be a routine matter, since France and the United States have a 93-yearold extradition treaty. They did not attend the first round of hearings.

So when the Bordeaux court denied extradition on Dec. 4, 1997, they were stunned. The court found that Mr. Einhorn's 1993 trial in Pennsylvania did not conform with French law, which grants a new trial to anyone convicted without being present. "I could hardly get out of bed for three days," Mrs. Hall said. Then, said Mrs. Wakeman, "Between December and January, we said, 'We have had enough." The sisters helped motivate the Pennsylvania

General Assembly to change state law, guaranteeing new trials to those convicted in absentia; the oew extradition request being considered is based on that law. They helped persuade 35 members of Congress to write President Jacques Chirac of France. They became legal parties to the French case, enabling their lawyers to argue in court for extradition. They filed a wrongful-death civil suit in Philadelphia so that Mr. Einhorn cannot profit from any memoirs he might write, and they asked for damages. The one thing the sisters have not been able to do is raise awareness in France about the case.

Mr. Einhorn, who is free but under police supervision, remains a welcome resident of Champagne-Mouton, the village in which he lives. An attempt by the sisters to explain their case in a town hall meeting there was canceled when it was interpreted by residents as a mock trial of Mr. Einhorn. "He doesn't have the face of an assassin, though that's just a personal impression," said Champagne-Mouton's mayor, Jack Jouaron, in a sympathetic French television documentary. "We'd like to keep him, and we'd like him to live

The producer of the documentary, shown on Canal Plus television, said Mr. Einhorn had found "a new community" in the village. The program, like much other French reporting of the case, treated the conflict as one of the United States attempting to impose its values on France, of the U.S. Justice Department pitted against a small court in Bordeaux.

T DID NOT mention that Holly Maddux was mardered by seven forceful blows to the head, that she had been seen with bruises before she ended her relationship with Mr. Einhorn, that the trunk containing her body had been in Mr. Einhorn's apartment for a year and a half until neighbors complained about the odor and leaking fluids, and that he had told Holly's parents she had gone shopping and never come back

Mr. Einhorn has maintained his innocence over the years. "I've been treated terribly," he said on the Canal Plus program. "The whole system has turned against me.

Americans are not satisfied with their lives, be said. "They take it out on me, the Iraqis, the Sudanese," he said. "They'd take it out on the French if they could. It's sad, because most people in America are manipulated by the media.

He said that, in France, "human rights exist."

"They were created here," he said. "The idea is

Holly Maddux's three sisters have been careful to say, in dozens of media interviews, that this case is not about France versus the United States. The issue is whether the French court can be satisfied that Mr. Einhorn will be granted a new trial in Pennsylvania or whether, as Mr. Einhorn's lawyer maintains, that decision will be at the sole discretion of the judge in the case and thus impossible to predict.

The ruling in February by the Bordeaux countous

-1/31 80 13/55 pc 8/46 pc 4/36 c 1/34 s -4/26 at -6/24 s -6/22 sn 5/41 c -4/25 sh -4/25 sn

Brutal Clash in Congo: **Left Behind Few Clues**

Alleged Massacre Produces Several Scenarios

By Karl Vick
Weshington Post Service

BUJUMBURA, Burandi — Reports emerging from the jungles of eastern Congo are providing more questions than answers about the alleged New Year's massacre of Congolese villagers by rebel forces.

What began as a report that hundreds of villagers had been slain by rebels trying to topple the president of the Democratic Republic of the Congo. Lament Kabila, has been muddled by conflicting accounts from villagers, aid workers, journalists and the rebels.

There is general agreement that the remote village on the western shore of Lake Tanganyika was the scene of a significant battle.

The rebel forces, who control about one-third of Congo, poured into Mako-bola after their small outpost near there was overrun by local militiamen allied with Mr. Kabila's government. MISNA, a Roman Catholic news service that first reported the incident last week, said the rebels massacred about 500 villagers; the rebels said they encountered an enemy militia group in the village and that an unknown number of combatants died.

The central questions revolve around the perhaps 4,000 people whose homes became the battlefield. Several of the few who remain in the village told reporters during interviews shadowed by rebel forces — many of whom are uni-formed former members of Mr. Kabila's army — that they were hunted down by soldiers. Others in the area have said villagers took up arms on the side of the local militia group.

Evidence of a third scenario - one that accommodates the first two - is seen in the burned houses, the ethnic makeup of the parties involved and an International Red Cross statement confirming that among the dead were six Red Cross volunteers presumed to be noncombatants. In that version, the soldiers won the battle, then turned their guns on a local population that had supported the vanquished.
I think it's difficult to know how

"I think it's difficult to know how many were killed," said an aid worker. "But for sure something happened, and it was something impertant."

The Congo rebellionsis led largely by ethnic Tussi, a population that has been present in Congo for 200 years but whose people are still widely regarded as foreigners. Although Tussi formed the core of the sebel movement that put Mr. Kabila in power in May 1997, they rose up against him in August, with the backing of Uganda and Justicontrolled Resandassa and agust, controlled country's casternaressen, and agust.

The battle against the rebels re-portedly has made allies of the following groups: Mr. Kahila's army, the Rwandan ethnic Hutu who carried out the massacres of Tutsi in that country in 1994, Hum guerrillas active in Burundi and native Congolese called Mar-Mai. The Hum and the multiethnic Mai-Mai share, like the vast majority of Congolese, Bantu ethnic roots; the Tutsi are

ethnically Nilotic. "Even myself, I'm a Mai-Mai," said a Congolese humanitarian worker. "It's-a philosophy. If I take a position that's against the Tutsi, then I'm a Mai-Mai."

Precisely who attacked the rebel post at Makobola remains unclear. The day after Christmas, local people reported a phalanx of perhaps 500 "infiltrators" crossing the main road 32 kilometers (20 miles) north of the village. That

band was reportedly chased into the mountains above Lake Tanganyika. ...
On Dec. 30, eight small boats carrying armed men landed at Makobola. according to several accounts. A Westy ern analyst who met recently with the Burundian president, Pierre Buyoya, came away convinced they included a substantial oumber of Burundian Huth guerrillas. In any event, the force attacked the Congolese rebel outpost, killing two men and frightening away 18. According to a supervisor of a local aid agency, the guerrillas then implored the villagers to join them.

'The ones in the boats had really quick success in convincing the population, because the population does obt accept the Rwandan Tutsi," the supervisor said. "I don't think the subsequent killings were a reprisal. I think it was more a battle where the fighters were mixed with the population.

The clash lasted three days, by several accounts. On Dec. 31, workers fer the aid group Action Against Hunger heard shots while approaching Maker bola from the south and turned bad? Apprehensive residents told visiting journalists that the victorious gunmen pursued fleeing villagers into the mountains and killed many there. They mentioned mass graves, and several re-peated the figure of 500 dead reported by the Catholic news service.

But journalists said that no local res-But journalists said that no local resident reported seeing move than 30 or 40 bodies. Rebei commanders, said they knew of the deaths of only 10 civilians, 10 guerriths and 3 rebels.

On Jan, E two workers from a local aid group thove south toward Makobola. They reported being shown 10 both progress and a list committed by

POLITICAL

fresh graves and a list, compiled by family members, of those buried in them. "They drove all around to see if these west dead people." their superior experies a saw nothing."

TRAVEL UPDATE

A Must Read Complimentary Report

A Professional's Guide to Currency

S Manuement

This comprehensive report is mandatory

reading for all investors. Complete with

profitable, simple, fully disclosed trading

models, an 11 year track record and all

price data for performance verification

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Forex Capital Management

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Travel Chaos in Germany and 40 flights delayed by up to an bour.

at the Munich airport, highway closings and hundreds of traffic accidents.

One of two runways at the Munich airport was closed early Wednesday morning, causing 21 takeoffs and landings to be canceled

Traffic jams up to 40 kilometers (25 miles) MUNICH (AP) - Heavy snow across long were reported around Munich during the

An East African Passport

DAR ES SALAAM, Tanzania (Reuters) -

officials said Wednesday. Scheduled for release Jan. 22, it will not replace national

MEMORIAL. HUBERT, RUE HILL

I Sharon, Cono., Died Jamany 3, 1999 at
6 after a long illness. Daughter of the late
fir. & Mrs. Parick C. Hill of Charlotte, VT.
he attended Miss Porters School of
ammington, CT and Sarah Lawrence
loilege. She worked as an editor at House
& Garden magazine, Predeceased by her
ausband, Paul Rubert, she is survived by
her daughter Pauline G Hubert of New
York, NY. A memorial service will be held
if St. Bartholomew's Church on Saturday,
annary 23 at 4500 p.m. In Beu of Bowess,
donations may be made to Memorial
Scane-Kentering Center, Box E, 1275 York
Asecuse, New York, NY 10021. HUBERT, RUE HILL,

Rebel Sets Terms for Freetown

FREETOWN, Sierra Le-The imprisoned Kenya, Tanzania and Uganda plan to create a founder of the rampaging common passport to ease rebel force in Sierra Leone movement within East Africa, has demanded his freedom in exchange for a cease-fire in the country's mounting civil war, a senior United Nations official said Wednesday.

But it was not immediately clear whether President Ahmad Tejan Kabbah would agree to that and other conditions, Francis Okelo, the special representative,

Foday Sankoh, founder of Revolutionary United Front rebel alliance, made the demands during three hours of talks Tuesday in the Guinean capital, Conakry. The negotiations were attended by government ministers from Sierra Leone, Ivory Coast, Togo and Guinea.

Mr. Sankoh, in a prison uniform, was transported to the talks by troops of the Ni-gerian-led multilateral force ighting to protect Mr. Kabbah's democratically elected government. The government has kept Mr. Sankoh imprisoned at a secret location since a Freetown court convicted him of high treason and mass murder in October. 'Sankoh said he is com-

pletely committed to peace and that he doesn't believe in a military solution for Sierra Leone," Mr. Okelo said after

Besides his freedom, the rebel leader is demanding official recognition of the rebel alliance, which aid officials and civilian witnesses have accused of mass atrocities against unammed villagers.

Mr. Okelo said that the Nigerian-led West African inervention force, known as Ecomog, had pushed rebels from much of the battered Sierra Leone capital and that calm was slowly returning. Witnesses who fled eastern

Prectown said Wednesday that rebels had killed scores of civilians in the area since they seized control Jan. 6. They also had taken many hostages, including women and children, the witnesses said. (AP, Reuters)

WEATHER



Rain along the Eastern Seaboard on Friday will be followed by dry and milder weether over the weekland.

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Africa

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7/44 pc 13/55 pc 6/48 pc 13/55 r 16/51 pc 22/71 pc 13/56 pc 27/60 17/62 24/76 26/02 31/86

30 September 1971 Cologne

†6th January 1999 Eyil

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The colleagues and friends of Mathias Kleyboldt in London would like to express their sincere condolences to Mr. and Mrs. Claas Kleyboldt and their family on the tragic death of their son, Mathias, on 6th January, 1999. We wish them strength at this sad time.

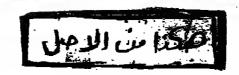
Mathias C. Kleyboldt

We will miss him dearly.

Brown Brothers Harriman Limited

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2 Key Votes Late This Month Expected to Shape Impeachment Trial

By Alison Mitchell and Eric Schmitt New York Times Service

WASHINGTON - When the impeachment trial of President Bill Clinton resumes Thursday, the House and the White House will be arguing not only over whether the president should be removed from office. They will be trying to shape the outcome of a critical series of votes this month that could decide whether the impeachment saga lends abruptly or ventures into uncharted

For unlike a normal courtroom drama, the trial of the nation's 42d president will not necessarily take a steady and straight path to an uncertain verdict decided by an impartial jury. In fact, most senators think the verdict in this case is already known: that the Senate will never put together the two-thirds vote, or 67 senators, needed to remove

Mr. Clinton from the presidency.

What is in doubt is how long it will take the Senate to get to the acquittal and at what cost to the Congress and to majority Republicans.

" Some answers will come in late January. Under the bipartisan trial plan approved last week, senators face a pair of decisions the week of Jan. 24 after the House and White House complete opening arguments: First, whether by ma-jority vote to make a quick exit and simply end the proceedings and, next, whether to vote to open the door to

sworn testimony from witnesses. No one now knows how those votes will turn out. "It is

really way too early to said Senator ANALYSIS Larry Craig of Idaho, a member of the Senate Republican leadership. Senator Susan Collins, Republican of Maine, said, "The trial will have a dynamic of its own that makes it unpredictable."

But if the coalitions that are likely to form are uncertain, the math of the Senate is clear. If the Senate trial is to end quickly, Democrats need to hold all 45 of their own members and then draw 6 of the 55 Republicans over to vote with them to dismiss the case or to prevent witnesses from being called. A vote against witnesses would probably clear the way for the final vote on the two articles of impeachment, charging Mr. Clintoo with perjury and obstruction of justice.

Democrats hope that possible con-verts could come from the ranks of such Republican moderates as Ms. Collins, Olympia Snowe of Maine, John Chafee of Rhode Island and James Jeffords of Vermont. Another possible pool of sup-

port is from the Senate barons who balk at the idea of sullying their institution by having Monica Lewinsky testify in the Senate chamber about the nature of her

elationship with Mr. Clinton. This group could include such sen-ations as Ted Stevens of Alaska or Pete Domenici of New Mexico or even Trent

leader from Mis-sissippi. Mr. Stevens said Tuesday that "I don't think you make up your mind until you hear the very last word that is

But he showed some impatience with the case when he noted that he had spent the weekend looking at \$,000 pages of the record made in the House. "There's enormous redundancy in that record," he said, "enormous redundancy."

And last week Mr. Lott said of witnesses, "I want somebody to show me why X, Y and Z witness might be needed, what they might testify to and some justification." He added, "And I have to tell you I have to be persuaded because I'm not, you know, all that excited about the prospect."

Still, given that many Republicans do not want to undercut the House Re-

publicans, the vote on whether to just Chafee said in an interview. "That dismiss the case after opening arguments is widely considered unlikely to

Many Democrats, however, think that it could be a useful test vote. For if it shows that there is almost majority sentiment to end the trial and

that there is no

way to reach the If there's a motion to 67 votes needed to convict Mr. dismiss and you can't get Clinton, they argue that it could 51 votes, how much short persuade more of that will you be? Republicans to vote against hear-

ing from wit-"If there's a motion to dismiss and you can't get 51 votes, the question is how much short of that will you be?" asked Senator Christopher Dodd, Democrat of Connecticut. "Is it 48? 45? Is it 33? These numbers can have a large

npact on what will occur next." But this could be wishful thinking. This case is not dividing Republicans along ideological lines, and some of the moderates who the Democrats hope will turn into allies have already staked out positions in favor of hearing from some

of the cast of characters in the case. "Some witnesses are desirable," Mr.

doesn't mean an army." Ms. Collins has also been an avid supporter of a limited number of witnesses to clear up conflicting testimony.

Moreover, some Republicans who are savvy about the internal dynamics of their caucus say that if the motion to dismiss the case fails, then it is only logical that the Senate will vote to allow the trial to proceed with the questioning of wimesses. "I'm very confident that would be successful," said Senator Mitch McConnell of Kentucky.

He pointed out that the vote only allows the House and White House to depose witnesses in private. New majority votes are needed to bring any of the witnesses onto the floor to testify. "What is very hard to handicap is a vote on live witnesses," Mr. McConnell said.

If the Senate votes to allow witnesses to be deposed, it could throw the chara-ber into an uncertain hiatus, for the deal struck last week did not include any agreement or details on how much time would be given for the questioning

White House lawyers have said they will be aggressive in any discovery peri-od. And Senator Tom Daschle, the minority leader from South Dakota, warns that his party will not oecessarily be pushing any longer for a quick out-come once witnesses are allowed.

*Obviously a lot of us will change our positions if the senators chose to allow the House to bring witnesses," he said in an interview. "Then many of us would feel equally strongly about the White

House's opportunity to bring witnesses.

We want symmetry, some balance."

Can Republicans risk that uncertainty? No matter where they stand on whether Mr. Clinton should be removed from office, Senate Republicans do have an overriding goal: They want to come out of the impeachment process with their chamber's dignity intact so

they do not risk their majority.

And on Tuesday they received a warning. As they caucussed in private to plan a legislative agenda for the year, they received polling data about the November election from Linda Divall, a Republican strategist.

The data comprised an assessment of where the party should stand on issues, but they also cootained the disturbing news that voters most often mentioned the Republicans' handling of the Lewinsky matter as the factor that caused them the greatest concern about con-tinuing Republican control of Congress.

So one by one, senators emerged from the caucus, insisting that the ongoing trial does not mean that legislative work on issoes such as Social Security, Medicare and tax relief would stop.

Limit Sought on Inciting of Violence

Protected Speech of Anti-Abortionists on Web Challenged in Court

By Sam Howe Verhovek New York Times Service

PORTLAND, Oregon — "The Nuremberg Files: Visualize Abortionists on Trial," proclaims the site on the World Wide Web. With simulated blood dripping from fetus parts, the site leads a cyber-visitor to the "main rchive," listing the names of dozens of :Joctors and clinic workers around the country who provide abortions.

For some of the people whom the site calls "baby butchers," the information includes photographs, home addresses, license plate numbers, the names of their spouses and children. A few doctors have a line through their names,

\$1 Billion Sought

For Parks and Land

\$1 billion in the year 2000 to buy

more land for national parks and other

conservation purposes, possibly including private holdings within pub-

state and the northern New England

The proposal included the purchase 450,000 acres (180,000 hec-

tares) in and around Mojave and

Joshua Tree national parks in Cali-

fornia, in the Florida Everglades and

If Congress approves the request, the expenditure would be the federal

government's largest for land pur-

chases in any single year, more than

double what the government is spend-

Justice Department

Joins Indians' Suit

NEW YORK -- The federal gov-

erement has joined the Oneida In-

dians in a lawsuit that contends the

state and local governments unlaw-fully acquired 270,000 acres of land

in central New York from the Indians

nearly 200 years ago, whittling down

ing this year.

at various Civil War battlefields.

WASHINGTON — President Bill linton has asked Congress to spend

POLITICAL

denoting that they have been killed; those who have been wounded have their names listed in gray.

For a federal court jury here, hearing a civil case brought by Planned Par-enthood and several doctors against some of the most militant abortion opponents in the country, the trial will boil down to this question: Is the Web site

constitutionally protected free speech? The plaintiffs, who are seeking up to \$200 million in damages, have brought their case under the 1994 Federal Freedom of Access to Clinic Entrances Act, which makes it illegal to use "force or threat of force" against anyone seeking or providing an abortion, and allows clinics to seek unlimited damages if abortion

workers are harmed or intimidated. But as simple as the question before the jury sounds, the legal issues are not.

For one thing, this is first major case brought under the law that does not involve direct personal threats or an actual physical confrontation. And while the plaintiffs say the web site amounts to a solicitation of murder, the defendants contend that it is a legal informational tool,

"A coalition of concerned citizens throughout the U.S.A. is cooperating in collecting dossiers on abortionists in anticipation that one day we may be able to hold them on trial for crimes against humanity," explains the site, which is named for the German city in which Nazis were put on trial after World War IL "We anticipate the day when these people will be charged in perfectly legal courts once the tide of this nation's opinion turns against the wanton slaughter of God's children."

But abortion is legal. And in the climate surrounding the issue - the National Abortion Federation says there have been seven killings, 15 attempted murders, 99 acid attacks, 154 acson inabortion clinics or workers in the last two decades - the plaintiffs here say that radical anti-abortion groups are clearly using devices like the Web site to incite more violence and deny women access to abortion services.

But the roster of 14 defendants, which included the American Coalition of Life Advocates, an umbrella group that has been described as too extreme by more mainstream anti-abortion groups, said most of the information they provide

could be found in telephone directories.
Furthermore, they said, oothing in the
'Nuremberg Files' specifically advocates violence against the doctors or clinic workers. The site does include links to other Web pages that defend killing abortion workers as legally justifiable homicide and to a letter from prison from Paul Hill, who murdered a doctor in Pensacola, Florida, in 1994. In it, he describes "the joy I felt after shooting the abortionist, and still feel today."

In opening arguments last week, Chris Ferrara, a lawyer for the defendants, said the case was baseless. This is a case about the threat to kill or injure, which is simply not there," he said. "Opinions? Yes, sometimes

harsh. But no violence." U.S. District Judge Robert Jones has turned down requests from the defendants to dismiss the case outright, in effect ruling that the Web site was not auto-

matically protected free speech. . Quoting an appeals court ruling in another case, Judge Iones wrote that 'alleged threats should be considered in light of their entire factual context, including the surrounding events and the reaction of the listeners."

jury because "there is substantial evidence of record from which a rational trier of fact could conclude that the defendants in this case were aware of and promoted the atmosphere of violence surrounding the anti-abortion movement."



THEATRICAL - Hillary Rodham Clinton, left, applauding cast members Glenn Close, Natalie Portman and

Jones Gets Clinton's \$850,000 Check

President Settles Case With Personal Money, Mostly His Wife's

WASHINGTON - President Bill Clinton has sent an \$850,000 check to Panla Jones, finally closing out the sexual barassment lawsuit that continues to imperil his presidency, and, in a surprise move, financed nearly half

agreed to pay two months ago, the president had to take \$375,000 out of a blind trust containing investments for him and Hillary Rodham Clinton. The other \$475,000 came from a separate deal with an insurance company that funded part of his legal defense and agreed to buy out the president's personal liability policy.

The decision to use personal money, most of it made by the first lady, who has been the family's major bread-winner during his 25-year political ca-reer, was a painful reversal for the president, who agreed to settle the case

after being told by advisers that they would be able to come up with the cash independently. But in the intervening weeks, Mr.

Clinton's lawyers discovered they could oot tap his legal defense fund because it was restricted to paying attorney fees and expenses. They also failed in efforts to pressure another insurance company into a separate With opening arguments starting

Thursday in his impeachment trial on charges that he lied under oath and obstructed justice in the Jones case, Mr. Clinton concluded in the past two weeks that he faced enough political trouble without provoking new criticism by agreeing to accept loans or ootside donations from wealthy

Mr. Clinton settled the case Tuesbattling that went all the way to the Supreme Court and ultimately led to

Mrs. Jones accused Mr. Clinton of luring her to a Little Rock, Arkansas,

with Monica Lewinsky.

was not harmed seriously enough to justify a sexual harassment claim. Mrs. Jones appealed and after the

what had been a sprawling reserva-tion into a meager 32-acre plot. Although the Oneidas' land claim has been wending its way through federal courts since 1970, the victim of fruitless settlement negotiations

between the Indians and three different New York governors, the intervention of the Justice Department has galvanized the attention of state and local officials.

In particular, lawyers for the Justice Department and the Oneidas have provoked widespread anxiety and anger among private landowners by seeking to expand the suit to name not just the state, but also some 20,000 property owners in central

New York as defendants.

The Justice Department and the Oneidas adamantly maintain that they have no interest in evicting people from their homes or forcing them to pay rent to the tribe and say the suit really is intended to pressure the state

into reaching a settlement. But such assurances have not stopped people from believing that their homes and farms are in danger, that they will be unable to buy or sell lic forests and refuges in New York property or that banks will stop mak-

"This is very emotional issue," said Raymond Meier, a state senator. and Republican from Oneida County, who believes the only way to allay fears is 'to bring this to a rapid and complete conclusion."

Rehnquist Suffers No Fools Gladly

WASHINGTON — Impeachment lawyers can stay on Chief Justice Willawyers can stay on Chief Justice wil-liam Rehnquist's good side by fol-lowing a few rules: Be prepared. Speak plainly. And for heaven's sake, get his title right.

"Take care not to waste anyone's

time," advised Charles Cooper, a former law clerk to Justice Rehnquist who has frequently argued before the Supreme Court. 'Keep the matter focused because the chief has a real knack for not letting a proceeding meander into irrelevant details."

The chief justice often sharply rebukes lawyers who misstep during Supreme Court arguments. Even the independent counsel, Kenneth Starr. drew a verbal slap when, as the Justice Department's top courtroom lawyer,

he argued a case in early 1993. "Let me share with you a bit of the record in the case," Mr. Starr began, and within seconds Justice Rehuquist about the record, rather than share it

But an impeachment trial is new territory, and it is unknown whether Instice Rehnquist, as presiding officer, will be as strict.

By Peter Baker Washington Post Service

the settlement with his own money.

To come up with the funds he

friends.

day after four and a half years of legal the process that uncovered his affair

hotel suite during a state conference May 8, 1991, when she was a \$4.93-anhour state clerk and he was governor of Arkansas. Mr. Clinton, she alleged, flattered and kissed her, dropped his pants and asked for oral sex, an advance she said she rebuffed. The president adamantly denied doing so and persuaded a federal judge to dismiss the lawsuit last April on the grounds that, even if it were true, Mrs. Jones

independent counsel, Kenneth Starr, accused Mr. Clinton of committing perjury and obstruction of justice during her case, the president decided to settle rather than take a chance on the suit being reinstated and sent to trial. He admitted no wrongdoing as part of the settlement and Mrs. Jones dropped her demand for a confession and apology.

Supreme Court Backs Ballot Initiatives And, issuing his opinion against dis-In a Split Decision, Colorado Loses Aggressive Effort to Regulate Petitions missing the case, he said it should go to a cut in: "Why don't you just tell us

By Joan Biskupic Vashington Post Service

WASHINGTON — The Supreme Court has struck down a state's aggressive effort to regulate ballot initiatives in a decision extolling the free speech rights of people who circulate such petitions and sending a strong warning to legislators who try to rein them in.
In a split decision Tuesday, the

justices rejected Colorado's requirements that people who circulate pe-titions wear identification badges, be registered voters in the state and be subject to requirements on how much they were paid to collect signatures.

The decision is likely to be carefully evaluated by state lawmakers around the United States who have been overwhelmed in recent years by a flurry of ballot initiatives. The initiatives are permitted in 24 states and Washington, and have been used to rewrite state laws governing everything from term limits and tax caps to gay rights and the leg-ality of assisted suicide.

But as the populist tool has developed into a multimillion-dollar industry dominated by professional firms and powerful national lobbyists, states increas-ingly are trying to devise ways of regulating the process. And Colorado, which has seen an abundance of mitiatives on the ballot this decade, has been at the forefront of that effort.

In their decision Tuesday, the justices made clear that regardless of how commercialized the process has become, they still view the initiatives as an important form of free speech.

"The First Amendment requires os to be vigilant," Justice Ruth Bader Ginsburg wrote for the court, "to guard against undue hindrances to political conversations and the exchange of ideas."
Chief Justice William Rehnquist dis-

sented from the ruling entirely. Justices Sandra Day O'Connor and Stephen Breyer dissented only on the portion of the opinion striking down voter registration and financial disclosure require-

Dissenting justices, as well as a Col-orado official, warned that the ruling would make it harder for states to protect the integrity of petition drives. Bot advocates of the process said the decision safeguarded an important access that citizens have to the political process.

The ironic effect of the opinion Wednesday, Justice Rehnquist wrote, is that in the name of the First Amendment, it strikes down the attempt of a state to allow its own voters to decide what issues should go on the ballot.

Away From Politics

 Los Angeles pupils are learning English more quickly than anticipated, elementary-school teachers in districts with large immigrant populations are reporting six months after the implementation of Proposition 227, the California anti-bilingual education ballot

• A motorist apparently lost control of her Cadillac and crashed into the Waxahachie, Texas, post office, killing a woman and injuring five people. No charges had been filed against the 77-year-old driver, who was parking in front of the facility in the rural north

• The Border Patrol can be sued for allegedly stopping drivers in southern Arizona just because they look Hispanic, a federal appeals court ruled. (AP)

· Police officers arrested a Reno, Nevada, construction worker and planned to charge two Marines in California as well in the slaughter of 34 wild horses shot to death in Nevada with high-powered rifles.

• A veteran stuntman died after a rough landing during a dangerous car chase scene during filming for an episode of the television show "Walker, Texas Ranger."

Defiant Clinton Renominates Gay Man

By Philip Shenon New York Times Service

WASHINGTON - President Bill Clinton has defied senior Republican Tawmakers by renominating a prom-inent San Francisco philanthropist as ambassador to Luxembourg, a post in which he would be the first openly gay American envoy, according to White

House and congressional officials.

They said Tuesday that the nomination of the businessman, James Hornel, 66, was quietly resubmitted last week to the Senate, where it died last year because the majority leader, Trent Lott, refused to put it before the

full Senate for a vote. Mr. Hormel is eminently qualified and he had solid bipartisan support in the last Congress, a White House spokesman, Barry Toiv, said. "We were confident then and we are confident now that if the nomination were

there were a fair up-or-down vote he would be confirmed. We hope that is what will happen this year, and soon." The nomination of Mr. Hormel, heir

to the Hormel family meat-processing fortune and a former dean at the University of Chicago Law School, had received broad bipartisan support in the Senate. Congressional officials agreed that he would have probably been confirmed in a full Senate vote.

The nomination was approved by the Senate Foreign Relations Committee, which is led by Senator Jesse Helms, Republican of North Carolina, who is generally considered no friend to the gay rights movement. A spokesman for Mr. Lott, Repub-

lican of Mississippi, had no immediate comment on the renomination. Mr. Lott decided to refuse to allow a vote on the nomination last year. In an interview earlier in 1998, he described

brought to the floor of the Senate and homosexuals as sinners who like alcoholics and kleptomaniacs could overcome their affliction.

Mr. Hormel's nomination was aggressively opposed by a conservative religious organization, the Traditional Values Coalition, which provided senators with copies of sexually explicit material from a special gay-research center named for Mr. Hormel at the San Francisco Public Library.

Mr. Hormel, who has said he had nothing to do with the selection of books and magazines for the library, has long provided financial support to gay-rights causes. He has also given large dona tions to causes like breast-cancer treatment and the San Prancisco Sym-

The government of Luxembourg, where discrimination on the basis of sexual orientation is outlawed, has said it would welcome Mr. Hormel's con-

ASIA/PACIFIC

China Goes After Corruption, Making a Political Point

By Seth Faison

SHANGHAI - The Chinese press is hauling out one big fish after another, as each is caught in the net of a national campaign against corruption and smug-gling. The point, as with all political campaigns in this country, is to show the virtuous determination of the anthorities, without too much concern for details

such as evidence or legal procedure.

The culprit featured last weekend was Chu Shijian, who led the largest Chinese tobacco company for 17 years, operating an extensive cigarette-smuggling operation and, according to the official version of events, embezzling \$3.5 million. A court in Yunnan Province, presumably with guidance from Beijing, sentenced him to life in prison.

Last week the chosen offender was a deputy minister of public security, Li Jizhou, who supervised anti-smuggling corruption in Communist China, and it seemed particularly galling that an antismuggling inquiry should yield even the turning a blind eye to smuggling for secured for political, rather than legal,

corruption cases that have come to light politics than about crime, and more about dissidents were jailed? who has connections or who has lost connections than about legal evidence.

Corruption has become so extensive in China that people frequently tell poll takers it is the gravest threat to the coun-ical dissent may be part of a larger effort to try. Smuggling has become a particularly shocking variety of lawlessness, because even the government now admits that the main perpetrators are mil-itary and police officials.

Official estimates indicate that goods worth \$30 billion - cars, nil, computers,

man heading anti-smnggling operations. years, did President Jiang Zemin order a reasons. As most Chinese officials know,
But these cases, like dozens of other crackdown last summer? Why have a the most useful rule of thumb in deseries of big cases been trumpeted over termining who is prosecuted for compin recent weeks, seem to be more about the last month, at a time when a series of

> The political system is still so secretive that no one outside a small inner circle in Beijing can know for sure. Yet the crack-

Yet smuggling has been rampant for years, as economic growth has fed demand for imported goods, which normally carry extremely high import duties.

Official estimates indicate that feed and for important for leaders to celebrate without disruption.

The obvinus message that hasting

would like to send is that it is tolerating no funny business. The message is diroperations. Mr. Li was the highest-rank-ing security official ever charged with all—were smuggled into China in 1998. as well as at potential dissidents.

way, corruption cases are generally pro-secured for political, rather than legal,

For years Mr. Chu played the same tion is looking at who lacks connections.

Comuption exists throughout the vast bureaucracy and in state-owned companies. When prosecutors are looking for someone to be used as an example. down on smuggling, corruption and polit- they invariably settle on those whose connections are weak and then find the evidence as needed.

Chinese officials and business people familiar with specific cases say particular charges are often a mixture of real and falsified allegations by the "discipline inspection" teams that formally

investigate wrongdoing.

Mr. Chu, the tobacco boss, was routinely praised as one of the leading businessmen, no doubt in part because move its root cause, high duties. Duties he was close to the longtime Communist party secretary of Yunnan Province. 200 percent. But in public meetings on Only in 1996, when the party secretary smuggling that issue is rarely raised.

With such a political campaign under was unexpectedly dismissed, did Mr.

games as managers of state-owned companies all over China, hiding huge parts of company revenue and spending most of it on new machinery, employee hous-ing and modern offices. Like other managers paid a paltry salary — Mr. Chu's was \$250 a month — he apparently also

hid a few million for himself. Businessmen in Yunnan said it was an open secret that Mr. Chn's company was carmarking a major part of its cigarettes for export and then smuggling them back to China, to avoid heavy duties. The local anthorities had no objection to Mr. Chin's operations, it seems, until his

political backing fell away. Business people often say that if the authorities were truly serious about on cars, for example, generally exceed

September, and Finance Minister Daim Zainuddin.

tarnished some key Malaysian insti-tutions, most nutably, perhaps, the po-lice. Police officers have testified dur-

ing the trial that they intimidated

witnesses in all-night interrogation ses-

sions in order to get them to change

Police also beat Mr. Anwar when he was in custody in September, leaving him badly bruised. His arrest followed a

protracted political battle between Mr.

Anwar and Mr. Mahathir, his former

published Wednesday that Mr. Anwar's

political future was in the hands of the

"If the court decides he is guilty he will not be active," Mr. Mahathir was

quoted as saying in the local media. "If he is not guilty I am sure he will be active. But it will take time."

Mr. Anwar was the prime minister's anointed heir before the two men had a

Last week Mr. Mahathir appointed

Abdullah Ahmad Badawi to replace Mr.

Mr. Mahathir said in an interview

their statements.

The trial is widely perceived to have

BRIEFLY

U.S. Urges China To Halt Crackdown

WASHINGTON - U.S. officials. urged Chinese counterparts to halt a crackdown on dissent during two days of talks here but agreed only tou meet again later this year, a senior U.S. official said Wednesday.

"We put proposals on the table, and they're looking at them." Assistant Secretary of State for Human Rights Harold Koh said, a day after. U.S. and Chinese officials ended. their first human rights dialogue in

four years.
"We're in this for the long hanl," he said, adding that systemics changes would take time and calling the talks "blunt." (AFP)

Indonesian Brawl Turns Into Rioting

JAKARTA - At least three people were killed in a three-day riot triggered by a mass brawl between youths from two neigh-boring villages, police and news re-ports said Wednesday.

At least 87 houses were burned and thousands of people were evac-uated from the villages in South Sulawesi, the afternoon daily Suara Pembarnan reported.

The villages are located near Pamiles) northeast of Jakarta. (AP)".

Fighting Erupts North of Kabul

KABUL - The Taleban militia? and forces loyal to Ahmed Shah's Masood, the main opposition com-mander, clashed north of Kabul." travelers and residents said.

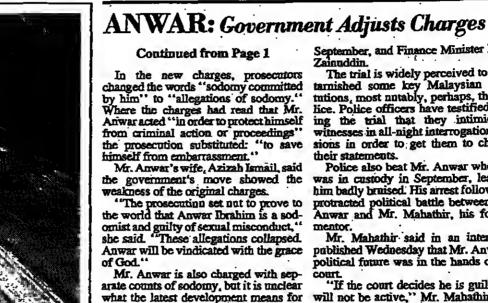
They said the fighting, which began on Tuesday and continued well into the night, was the first in more than four months at the front line on the so-called Old Road, 25 kilometers (16 miles) north of Kabul. It was not immediately clear who started the fighting but both sides used artillery, mortars and tank shells, the witnesses said.

High Lead Levels In Dhaka Children

DHAKA - Tests on children in the Bangladesh capital have found levels of lead in the blood at least eight times higher than World Health Organization recommendations, a child neurologist said Wednesday.

'Our worst fear is that there may be tens of thousands of children in Dhaka exposed to lead pollution." Dr. Naila Khan told reporters after a health seminar.

She said poor children who lived in shanties were the worst affected blood samples un patients at a Bangladesh children's hospital has shown an alarming presence of lead, responsible for various problems hitherto unknown to their parents." Dr. Khan said.



calling witnesses as early as next week. Defense lawyers said Wednesday that they intended to call to the stand Mr.

HITCHING A RIDE -- With railroad security measures relaxed and cheap public transportation in Anwar, Prime Minister Mahathir bin short supply, schoolchildren rode on the roof of a commuter train toward Jakarta on Wednesday.

CHINA: Another Firm Reveals Huge Debt Burden, Shaking Confidence and Raising Fears of a Credit Crunch

Mohamad, who fired Mr. Anwar in Anwar.

Continued from Page 1

keep borrowing to roll over their debts," said Ken Luh, a China analyst at Credit Suisse First Boston in Hong Kong.

But now, be said, "They probably don't even have working capital."
"Investors no looger trust the so-called guaranteed earnings of China assets and just want to be free of them," Stanley Ng, head of research at Mansion House Securities, told AFX.

For the Chinese companies, the timing is awful. A report late last year by Gold- bolster growth. man, Sachs & Co., ironically now serving as an adviser to Guangdong Enterprises, markets. "Given the devastation to prop-lerty and equity prices since the start of the help the company pay debts.

Asia turmoil," it said, "the red chips must have accumulated buge unrealized collective debt of the red-chip companies might exceed \$12 billion.

One of the many questions investors need answered is which of the several nver the past twn years and put most of vive. On Tuesday, the Guangdong prothe proceeds into the stock and property vincial government said it would pump money into Guangdong Enterprises to

think through the ramifications of letting losses." The report estimated that the Guangdong Enterprises fail," a semior

the companies in the Guangdong En-terprises Group would survive, but she difficulties as: bad investment decisions that international bankers wanted to mainland Chinese companies: How risks; imprudent lending decisions emptory treatment of them at a GITIC could a dull, predictable food business without proper credit evaluation; inap-creditors' meeting Sunday and what said the parents of many red-chip compublicly traded companies in the Guang-such as Guangnan have accumulated propriate accounting for various trans-they see as a betrayal by China's aupanies had "borrowed aggressively" dong Enterprises group will actually sursuch heavy debts — as much as 60 actions and tardiness in recognizing thorities in their the failure to renav doug Enterprises group will actually sur- such heavy debts — as much as 60 actions and tardiness in recognizing therities in their the failure to repay percent more than what most analysts

had been lead to expect? "Nobody has any idea how they gut the debt so high," she said. "It seems to

those charges, which were scheduled to be heard once the current trial is over.

With the prosecution's case nearly over, lawyers say the defense could start

pointed to another chronic problem with that did not take into account business hear. Still furning from China's perwrite-downs, and poor decisions regard- GTTIC's debts, they are fighting back the ing oversight, investment leverage and

politically connected companies, or even just rated them as a "sell," have

been fired for doing so.
Ominously for bankers with loans nutstanding to the group, the Grangman chamman also said, "The financial magnitude of these problems are still in the process of being determined."

The announcement of Guangdong's problems, the result of a creditors' meetonly way they know how - by pulling in lines of credit and declining to roll

Coalition Pact Ready in Japan. 2 Parties Report

The Associated Press TOKYO — Japan's governing party and a major opposition group agreed Wednesday on their last remaining point of contention in talks to form a coalition

government.

The governing Liberal Democratic Party and the Liberal Party compromised un the country's international military role, clearing the final hurdle. "No more issues remain to be re-

solved as a precondition to forming a coalition, "said the Liberal Party's secretary-general, Takeshi Noda. The two parties had wrangled for weeks over policy differences, stalling the plan to increase the governing party's weak grip in Parliament, which

convenes Tuesday.
Prime Minister Keizo Obuchi returned from Europe on Wednesday hop-ing to be able to reshuffle his cabinet Thursday and give a portfolio to the Liberals to seal the coalition. But negotiations were snagged until the last minute over the Liberal Party's demands in expand Tokyo's military role in

United Nations military operations. The Liberal Party has pushed for a reinterpretation of Japan's pacifist constitution to allow greater freedom for the military overseas, but the Liberal Democrats opposed that. The two sides finally agreed to allow Japan's Self-Defense Forces to "actively participate and co-operate" in UN peacekeeping missions if asked to do so by the organization.

But the Liberal Party backed down from its demand to allow Japan to assist in operations that involved military force. The Liberals had wanted to allow the Self-Defense Forces to be able to provide medical aid in combat areas. The constitution prohibits the country

from participating in missions that use

force to settle international disputes. The Liberal Party had also asked for a clearer definition of the country's responsibilities under updated U.S.-Japan security guidelines. The two parties agreed to hold discussions on that issue. With differences ironed out, Mr. Obuchi was expected to offer a cabinet post to the Liberal Party leader, Ichiro Ozawa, but it was unclear if he would accept.

There is growing concern about how

the retreat of lenders and investors will affect the broader economy of mainland China, which is already slowing. Last week, the Finance Ministry painted a week, the Finance Ministry painted a gloomy picture of Chinese economic Asia, said she was confident that most of prospects this year and said it would the companies in the Guangdong Encauses of his parent company's financial increase government spending to try to

"The Chinese government has to tell you that you can't trust the published have leveled much milder criticism at accounts." The tone of the company's announce-

analyst with a U.S. investment bank ments in Hong Kong newspapers Wed-said. "Forcing GITIC to fail was probnesday signaled a very different and ably more damaging to confidence in midd more blunt attitude about the fin-Hong Kong than they had envisioned." Letting Guangdong Enterprises fail would be even worse." panies are now negotiating. In a striking announcement, Sun

accounting policies.

In the past, investment analysts who over loans for working capital.

INTERNATIONAL

CLINTON: Breaking His Silence on Trial, He Expects 'the Right Thing' in Senate

conviction, which would be the first in U.S. history, would dangerously and lastingly change the balance of power in the American system.

ance and move us closer to a quasi-parliamentary

Continued from Page 1

Mr. Clinton, in his comments to reporters, stability of the Brazilian economy. touched on such a defense. "Why did nearly 900 constitutional experts say

subject of impeachment?" he asked.

The president apparently was referring to an open letter in October in which hundreds of leading historians and presidential scholars, including Arthur Schlesinger Jr., Stephen Ambrose and Doris Kearns Goodwin, wrote that "the current charges against him depart from what the Framers

saw as grounds for impeachment."

Mr. Clinton added: "My opinion is not important here. My opinion is that I should be doing my job for the country. And other people should be handling the defense and dealing with this is-

The comments were his first on impeachment since the trial formally opened last week, before

being adjourned until Thursday. Keeping a low profile, Mr. Clinton broke with normal practice Monday by not hulding a news conference with the ings Institution briefing on "The Weakened President" visiting Argentine president, Carlos Saul Me-

"Removing the president on these facts would substantially alter the delicate constitutional bal- year ago, Mr. Clinton has insisted on his ability to continue the work of the presidency unimpaired. system, in which the president is elected to affice by the choice of the people, but continues in affice only at the pleasure of Cangress," the brief was tested again Wednesday, when world finsaid.

His aides have frequently vanated his ability to focus and "compartmentalize"—an ability that was tested again Wednesday, when world finsaid.

"We have a strong interest in seeing Brazil, with whom we have worked on so many important that they strongly felt that this matter was not the things around the world, carry forward with its economic reform plan and succeed," Mr. Clinton said. "We certainly hope that they will."

Several prominent political analysts said they believed that Mr. Clinton's ability to lead the world out of economic crisis or downturn remained relatively unimpaired by the scandal. Robert Reischauer, who was a director of the Congressional Budget Office under both Republican and Democratic presidents, said that Mr. Clinton retained the support of most important world leaders, maintained strong public backing in the United States, and benefited from widely respected teams in the Treasury and State Depart-

The U.S. ability to lead in a global crisis "really of the charges will be behind closed doors.

own problems, "Mr. Reischauer added at a Brookings Institution briefing on "The Weakened Pres-

the Lewinsky matter in his State of the Union message on Tuesday, Mr. Clinton replied: "I think the American people have heard about that quite extensively over the last year. My instinct is I should do their harings of should do their business." The House prosecution plan, as ontlined in memoranda Monday and Wednesday, will seek to demonstrate that Mr. Clinton engaged in a scheme to conceal his relationship with Ms. Lewinsky and

later to damage her credibility.

The 13 House prosecutors, each given separate roles in the presentation, will point to the efforts of Clinton aides and friends to find Ms. Lewinsky a job, attempts to hide gifts that Mr. Clinton gave her and possible attempts to coach the president's secretary, Betty Curie, about the Lewinsky mat-

The opening presentations are to be carried by

television. But unless the Senate votes by two-thirds ma jority to depart from the rules established in the only other presidential impeachment mal, that of Andrew Johnson in 1868, the chamber's delib-crations on such key issues as whether to call witnesses and whether to move for early dismissal

IRAQ: France Proposes End to Oil Embargo and Calls for New Arms Monitoring Method have "its independence ensured and its these resources for the reconstitution of that could paralyze the Security Council.

Continued from Page 1

Laurie Flynn, a Senate employee, unpacking

boxes of impeachment evidence and testimony.

the Iraqis demonstrate cooperation and compliance with new rules. New sanctions could be imposed if Iraq is found to be in violation.

The French proposed to replace the current arms-inspection commission with a "renewed control commission" that would have a preventive rather than investigative role, watching for signs of illegal arms use from existing stocks or proposal was presented to the full coun-production of prohibited weapons. cil Wednesday.

Many tons of Iraqi weapons and am
"Each oil contract should be notified logical and chemical stocks and the missiles to deliver them.

Using language heard frequently in compel fraq to meet its obligations to pay the past from Iraq and Russia, the proposal said that this commission would monitoring system without "distracting

professionalism strengthened." These have been code words for shielding the arms-inspection system from American ports to Iraq would be separated into influence or pressure. Under the French proposal, which

was first outlined on Toesday to other permanent Security Council members - Britain, China, Russia and the United States - a surveillance system would be devised to watch Iraqi expenditures. The

"Each oil contract should be notified munition have been destroyed, but ques-to the UN Secretariat by buyers and Ir-tions remain about unaccounted-for bio-aq," the proposal says. "Oil movements should be controlled on the field." The aim of these controls would be to

used in weapons development, which would be either prohibited as now or oring methods that do not allow surprise restricted, and all other purchases, which could be made freely without surveil-

The French are suggesting that im-

arms and other materials that could be

weapons of mass destruction."

The United States has said repeatedly that the oil embargo, the most important of numerous economic sanctions im-posed on Iraq after its 1990 invasion of Kuwait, cannot be lifted until the Iraqis have been judged to have met all disarmament requirements set out in a 1991 cease-fire resolution after the Gulf war.

Those requirements have not yet been met, and existing resolutions governing them would have to be annulled, a step

While offering no proposals of its own on how to salvage the current armsinspection system carried out by the UN Special Commission, the American delegation is expected to oppose monitinspections, even though the Clinton administration did not press for them for much of last year.

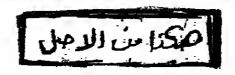
The French emphasize that their proposals are meant to generate debate and some action in the Security Council. which has been largely inert on the sub-ject of Iraq since American and British bombing raids in December effectively killed the existing arms-inspection sys-

Mr. Saddam has made it clear that the Special Commission will never be allowed to return.

Washington Break-In May Figure in Israel Race

JERUSALEM - Israel's rancor ous election campaign was rocked Wednesday by a break-in at the Washington offices of a U.S. polit. ical pollster advising Ehud Barak, the opposition Labor Party's candidate for prime minister. The incident, which the Israeli

media likened to Watergate, threatened to overshadow the opening of a Labor Party convention where Mr. Barak faces opposition to his plans for choosing parliamentary candidates. A spokeswoman for Mr. Barak said it was still a mystery who stole secret records and petty cash from the offices of the polister, Stanley Greenberg. .



(Reuters) Asked by reporters whether he would refer to

EUROPE

European Parliament's Censure Motion on EU Commission Collapses

By Barry James International Herald Tribine

PARIS - An attempt in the European Parliament to oust the European Union's executive body unraveled Wednesday when the important Christian Democratic group withdrew support for a censure motion.

As a result, the parliamentary revolt against the European Commission was unlikely to get the two-thirds vote needed to succeed.

The Christian Democrats backed down after the commission president, Jacques Santer, threatened to resign if the issue came to a censure

Win or lose, the commission appeared likely to emerge weakened from its battle with the Parliament over charges of graft, cronyism and mismanagement of the EU's 85 billion euro (\$73.9 billion) budget.

The largest group in the Parliament, the So-bialists, called for the censure motion in an effort the largest group in the Parliament, the So-cialists, called for the censure motion in an effort to stop Parliament members from attempting to

Green party in the Parliament.

Some politicians say the Socialists overplayed
their hand and set in motion a procedure that

sand political ally, Helmut Kohl, former chancellor of Germany, for the job.

Mr. Santer has acknowledged mismanage-

focus their criticism on two Socialist commissioners, Edith Cresson of France and Mannel Marin of Spain, who have been responsible for allegedly fraud-ridden programs.

Parliament has a treaty right to dismiss only the entire commission and not individual members. Some members of the 626-seat assembly have been pressing Mrs. Cresson and Mr. Marin to resign individually, but Mr. Santer has made it clear that if they are forced to go, so will he.

When the Parliament refused last month to

approve the 1999 budget because of graft and mismanagement charges, the Socialists introduced a censure vote as a substitute for a con-

fidence motion. But in doing this, they touched off an unprecedented movement of revolt among deputies ranging from Greens to the far right.

The revolt was fanned by the commission's decision to suspend an official who took evidence of alleged corruption and cover-ups to the Green party in the Parliament.

Some politicians say the Socialism currents and

spiraled rapidly out of control this week. Now the Socialist leader, Pauline Green, says it is no ported to courts in Belgium, Luxembourg and This was in the context, she said, of "a lot of longer a question of confidence but of giving the france. None of the commissioners has directly commission a simple mandate to continue functions. tioning during its final year in office.

Less than two weeks after it successfully masterminded the introduction of the European single currency, the commission's reputation has fallen low.

Mr. Santer, a former prime minister of Lux-embourg, once hoped to be renominated, but most observers now say that governments will choose a replacement.

The name of Romano Prodi, a former prime

minister of Italy, has been mentioned as a pos-sibility. So has that of Oskar Lafontaine, the German finance minister, should Chancellor earlier in the decade. Gerhard Schroeder wish to get rid of him diplomatically.

Meanwhile, Mr. Santer has endorsed his friend

Many of the alleged instances of fraud relate to previous commissions

Others concern outside consulting companies called in because the commission does not have the necessary manpower to carry out all the programs placed under its responsibility by gov-

Officials acknowledge that the commission's nightmare, but this is reportedly because money was disbursed without proper checks during emergency situations, such as the Bosnia conflict

The amounts involved are relatively small compared with cases of budget fraud involving programs directly administered by member gov-

Mrs. Cresson said that the wave of criticism against her was orchestrated by governmentvery demagogic talk in Germany about paying

too much to the EU budget." She added that she "absolutely" would not

resign.

The commission, which is responsible for proposing and enforcing European legislation, is disliked by many in Europe as a federalizing agency and is often misunderstood because of the

complex and bureaucratic nature of its work.

Much of its activity is carried out at a technical humanitarian aid program is an accountant's level in committees, and the commission is with some justification accused of excessive secrecy. Mr. Santer has promised a more open and accountable regime, along with an independent means of investigating fraud.

Nevertheless, the commission has made a convenient target for the Parliament, which is flexing its muscles in advance of elections in June and fighting off the popular perception that it is a gravy train in which many of its members ha-bitually fiddle their expenses.

Russia Reacts Angrily To New U.S. Sanctions

By David Hoffman Washington Post Service

Jerne Stein Braid

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MOSCOW - Russia reacted angrily Wednesday to the U.S. decision to impose sanctions on three more Russian institutes suspected of helping transfer missile and nuclear technology to Iran, saying the charges were groundless and would complicate U.S.-Russian rela-

Prime Minister Yevgeni Primakov denounced the measures as "counter-productive." The Foreign Ministry issued a statement saying the allegations 'have no grounds whatsoever' and the three institutes 'are in full compliance' with Russian and international law.

Chile to Take Part In Pinochet Appeal Against U.K. Arrest

LONDON - The government of Chile will be permitted to participate in General Angusto Pinochet's ap-peal against his arrest for crimes against humanity, the House of Lords decided Wednesday.

The hearing, scheduled to start Monday, marks the second time that the former Chilean dictator will have sought his freedom before.

In an unprecedented step, the House of Lords last month set aside its ruling that denied immunity to General Pinochet because one of the judges, Lord Justice Hoffmann, failed to disclose his ries with the human rights organization Amnesty International Amnesty International had been a key player in the long campaign to have the 83year-old general charged with gross abuses of human rights.

Chilean government officials have said they will be arguing that foreign courts lack jurisdiction over the former dictator and that any trial for human rights abuses could only be held in Chile.

Amnesty International was also granted permission to participate in the new hearing, as it did in the

previous one. Seven law lords have been assigned to hear arguments next week. None of the judges was involved in the initial 3-to-2 ruling, which said General Pinochet did not have immunity from arrest.

Frustrated Russian politicians also leapt on the amouncement to vent some anti-American vitriol. Gennadi Zyuganov, the Communist Party leader, said, "The United States of America has imagined that they are a gendarme, prepared to dictate conditions not only to com-tries, bombing foreign states, but also to ban, and even to dictate conditions to separate universities and scientific laboratories." The sanctions, announced in Washington on Tuesday by the White House

national security adviser, Sammel (Sandy) Berger, bar U.S. dealings with the Scientific Research and Design Institute of Power Technology, the Mendeleyev Chemical Technology University, and the Moscow Aviation Institute. Mr. Berger and other U.S. of-ficials have not publicly detailed the allegations against the institutes, but a U.S. delegation in Moscow late last year outlined the complaints to Russian of-

The first institute is a leading nuclear reactor engineering facility in Russia, headed until recently by Yevgeni Adamov, who is now Russia's minister of atomic energy. According to U.S. officials, the institute is suspected of helping provide technology to tran for a small nuclear research reactor which could be used to make weapons-goade material. In a televised interview Wednesday, Mr. Adamov insisted that he had told the U.S. "more than once" that nuclear technology was not being transferred.

The other two schools are suspected. lear and missile technology. Pavel: Sarkisov, dean of the Mendeleyev school, told reporters that only one Iranian postgraduate student is currently enrolled, that he is studying polymers "and there is no way" he is working on



DIG DEEP AND OUT - As an elderly woman begs for money in Moscow, a worker removed fresh snow on Wednesday after a storm.

nuclear issues. Alexander Matveyenko. dean of the aviation school, said it has 28 Iranian students but insisted they do not study missile technology.

'Iran is our neighbor, you understand; we are going to be together forever with this state," he said. "We have a common those specialties which are not listed asbanned by international agreements."

Both the United States and Israel have been pressing Russia for more than a year to close down a broad array of contacts which they claim could provide Iran with

missile and nuclear technology. Russia has repeatedly responded by claiming that it would tighten enforcement of ex-port controls, while Iran has denied that it is receiving such technology.

Ivan Safronchuk, a research fellow at

the Center for Policy Studies in Russia Caspian, we have common problems, who recently wrote a report on the Rusand I do not see why we should not reach . sia-Iranian connection, said that Russia system" on the books. But the rules are not enforced, he said.

> "It is only on paper," Mr. Safronchuk said of the export control regime. "The Russian side does not have enough means to enforce this paper."

Kosovars Free 8 Soldiers Amid Some 'Guarantees'

LIKOVAC, Yugoslavia - In a reprieve for Kosovo's faltering peace process, rebels freed eight Yugoslav sol-diers Wednesday after obtaining private incentives from international officials intent on heading off a return to all-out

The release of the soldiers averted a threatened assault by the Yugoslav Army to free its men, which would almost certainly have ended the brittle cease-fire in Kosovo.

It came as a result of a concerted effort by international mediators, hundreds of whom are being deployed in Kosovo by the Organization for Se-curity and Cooperation in Europe.

William Walker, head of the organization's Kosovo Verification Mission; Chris Hill, the U.S. peace mediator, and Wolfgang Petritsch, the European Union envoy, held nearly five hours of talks with gnerrilla commanders at the headquarters of the Kosovo Liberation Army in the western village of Likovac

on Wednesday.

At one point the talks were on the brink of collapse, but in the end, Mr. Walker announced, "We are pleased that, as part of a fair and balanced agreement, the KLA has released the Yugoslav soldiers." Conditions of the soldiers' release remained unclear.

But Mr. Walker acknowledged lastminute "guarantees" made to the Kosovo Liberation Army, which had refused to let the soldiers go without assurances of freedom for nine rebels banian border last month.

The agreement will contribute to a peaceful resolution to the current

crisis." he said. The army and Serbian officials insisted the release was unconditional.

But it was clear from comments by Mr. Walker and the rebels that it only came about after last-minute assurances leaving open the possibility that KLA prisoners could be freed later, enabling Serbian authorities to save face.

The Serbian side has insisted that it would not exchange prisoners with the KLA "terrorists."

The promised release, which inter-national officials announced late Tuesday as imminent, hit a snag Wednesday and was delayed for hours while Mr. Walker, Mr. Hill and Mr. Petritsch held talks with the rebels.

A rebel spokesman, Jakup Krasniqi said as the release was announced shortly before nightfall that he hoped "the promise of three strong international mechanisms will be realized." He did not elaborate. Asked if the Serbs will release KLA fighters in return, he said simply: "They must be released."
The eight army soldiers, held by the

rebels since Friday near where they were seized, were turned over to the verifiers and then to the army. They were reported back at their barracks in Kosovska Mitrovica within an hour of Mr. Walker's announcement, reunited with anxious parents and visibly relieved but tired.

Dozens of Yugoslav Army tanks have been stationed in the area around Stari Trg since the soldiers were seized when they strayed into rebel-held territory. The government had threatened to hit back hard against ethnie Albanian separatists if they were not freed soon.
"Terrorists remain terrorists even

after the release of hostages," the Yugoslav deputy prime minister, Nikola Sainovic, was quoted as saying Wednesday night by the state-run Tanjug news agency. "The battle against terrorism continues."

German Coalition Unites Behind Proposal to Widen Citizenship

BONN - Chancellor Gerhard Schroeder's coalition government agreed on Wednesday to push through a bill granting German citizenship to millions of immigrants despite fierce rightist opposition.

The center-left alliance of Social Democrats and Greens said they would not be deterred by a national petition organized by the opposition Christian Democratic Union.

nesday by Interior Minister Otto Schilv. would be steered through Parliament

this summer, coalition leaders said.
"This fully guarantees the rights of dual citizenship for all foreigners living

The bill, to be unveiled on Wed-

long-term in Germany." the Greens' parliamentary chief whip, Kerstin Mueller, told DLF Radio. Miss Mueller called the Christian Democrats' petition campaign "racist

and demagogic."

She rejected an offer to hold crossparty talks on the reforms.

The Social Democrats and Greens approved the bill late Tuesday. It reforms a 1913 law that takes blood lines as the basis for German nationality. Migrants, mainly Turks, who have

lived in Germany for decades are denied citizenship while those of German stock scattered through Central and Eastern Europe are entitled to passports. The result is that more than 7 million of

Germany's 82 million population are deemed foreigners.

The new law, the first major reform to be carried out by Mr. Schroeder since he took office in October, offers automatic citizen rights to children born in Germany and allows migrants to seek naturalization after eight years' residence. Crucially, it will not require applic-

ants to surrender the nationality of their country of birth, a requirement that deters many from going through the complex naturalization process.

Leaks of the draft in Wednesday's media included provisos that applicants for citizenship speak some German, commit themselves in writing to the German Constitution and not be reliant

Social Democratic politicians insisted it would not mean any relaxation of immigration rules. "We don't want to open the doors

any further," said Dieter Wiefelspuetz, the party's spokesman for interior affairs in Parliament. The Christian Democrats and their

arch-conservative Bavarian ally, the Christian Social Union, say the offer of dual citizenship, currently available only in exceptional cases, puts "native" Germans at a disadvantage.

Pointing to surveys showing around half of Germans opposed to dual citizenship, they are confident they can stop the bill.

BRIEFLY

Germans Nearing Nuclear Fuel Pact

BERLIN - As part of its plan to end the use of nuclear power in Germany, the center-left coalition government is expected to agree to ban the practice of sending spent fuel out of the country for reprocessing. But under a compromise already

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reached by Environment Minister Juergen Trittin, a Greens lawmaker, and Economics Minister Werner Mueller, a nonpartisan en-ergy expert, the ban will not take effect until a year after passage.

German nuclear plant operators will be expected to use the time to work out deals to cancel contracts worth millions with reprocessing centers in France and Britain. (AP)

Gay Protest Barred

VATICAN CITY --- Italian police officers barred a group of homosexuals from entering St. Peter's Square on Wednesday in memory of a man who set himself alight there a year ago to protest discrimination against gays.

The group of around 15 wanted

to lay a wreath and flowers at the spot where Alfredo Ormando set himself afire on the steps. He died several days later.

The police said they would not let the demonstrators enter without Vatican permission since St. Peter's Square is part of sovereign Vatican territory.

Unrest in Romania

BUCHAREST — Striking Romanian miners renewed on Wednesday a threat to march on Bucharest if their demands for talks with the government are not met.
"This is the last day we will wait for a response from the government," said Miron Cozma, leader of 15,000 miners who have been on strike for 10 days in the Jin Valley.

On Tuesday the miners marched more than 10 kilometers (6 miles) toward the capital after they rejected a compromise offer by the government to end the strike over pay and pit closure plans.

The miners want to negotiate

with Prime Minister Rada Vasile or President Emil Constantinescu, but so far only the industry ministry has

INTERNATIONAL

UNITA Reports Plane Deaths

LUANDA, Angola — Angolan rebels said Wednesday there were no survivors of a second UN-chartered plane that went down Jan. 2 in a war zone.

The rebels of the National Union for the Total Independence of Angola, or UNITA, have told the United Nations the exact location of the C-130 cargo plane that crashed 20 minutes after takeoff from Huambo airport, 480 kilometers (300 miles) southeast of the capital Luanda. A UN team found no survivors at the first crash site.

Yemenis Release U.K. Oil Man

SAN'A, Yemen - A British oil worker kidnapped by Yemeni tribesmen was released unharmed Wednesday, a

British diplomat said John Brooke, 46, was handed over to the British ambassador in San'a, said the British Consul, David Pearce. Mr. Brooke was kidnapped Saturday by armed men from the Daham tribe demanding the release of a tribe member arrested three months ago on a murder charge. It was not immediately clear if their demands

For the Record

A Mexican Army officer, Lieutenant Colonel Hildegardo Bacilio Gomez, who led a protest last month shaking up the country's armed forces, has left Mexico for Venezuela after five of his followers were charged with sedition, according to media reports.

The FBI director, Louis Freeh, is to visit Mexico on Thursday and Friday to discuss joint efforts against drug trafficking and other major crimes.

Careful, Furby May Be a Mole

By Vernon Loeb

WASHINGTON — The National Security Agency has targeted a new national security threat capable of blabbing secrets to U.S.

adversaries: the Furby. As harried parents scrambled in the weeks before Christmas to get their hands on these homely, high-tech cyberpets that supposedly repeat what they hear, the supersecret spy agency put out a "Furby Alert" on its internal computer network in early December and banned the Furby from its headquarters in Fort Meade, Maryland.

"Personally owned photographic, video and audio recording equipment are prohibited items. This includes toys, such as 'Furbys,' with built-in recorders that repeat the audio with synthesized sound to mimic the original signal," the agency warned workers. "We are prohibited from introducing these items into NSA spaces. Those who have should contact

their staff security officer for guidance." What the punishment is for having a Furby at Fort Meade - or how many Furbys actnally are infesting the agency - could not be immediately discerned. But Stewart Baker, a motorcycle attacked Mr. Preval's sister, former general counsel for the agency, speculated that "getting them out is going to be

almost harder than getting them in."
"You'd have to take them to the basement." Mr. Baker joked about transgressors. "and sweat them a lot." Equipped with computer chips and infrared

transmitters, the Furby speaks, sleeps, makes weird noises and supposedly interacts with its environment, repeating some of what it hears. It is hard to imagine it divulging state secrets, but who knows more about pulling in

Agency, which intercepts electronic commnnications around the world using satellites and other highly classified means.

Agency officials were worried, said one source monitoring the intelligence community, "that people would take them home and they'd start talking classified."

Steven Aftergood, who directs the Federation of American Scientists' project on govemment secrecy, said he was not surprised that the agency, which is nothing if not bureau-cratic, had drawn the line on Furby. "They can't simply say, 'Be smart, don't do anything to compromise security,' ''Mr. Aftergood said. "There has to be a page in the security manual that says, 'No dolls with tape recorders.'"



The NSA ferrets out a security threat: Furby.

Haitian Leader's Proposal Ignites Fears

Haiti has announced that he will create a new government by decree.

Just hours after his announcement, gunmen on wounding her and killing her driver. Mr. Preval's announcement Monday aimed to break a 19-month stalemate that has left Haiti without a budget or a functioning government

Caribbean nation. But it also ignited fears that Haiti's fledging democracy has failed. The motive for the shooting Tuesday near central Port-an-Prince was not immediately

and halted the flow of aid to this impoverished

known, and there were no arrests. Two gunmen on a motorcycle opened fire at a secrets, but who knows more about pulling in white it hears than the National Security ing her and killing her driver. She was shot in the

neck, chest and leg, but her injuries were not life-PORT-AU-PRINCE, Hairi - Bypassing a threatening, said Dr. Bernard Leveque of Unihostile Parliament, President Rene Preval of versity Hospital, where Miss Calvin was being Mr. Preval visited his sister at the hospital, as

did former President Jean-Bertrand Aristide. The president's declaration dealt a blow to Haiti's flagging experiment with democracy. Haiti has suffered four military coups since 1986, when a popular uprising brought an end to the Duvalier family's 29-year dictatorship. The original end-of-term date for the legis

lature, dominated by foes of Mr. Preval and his mentor, Mr. Aristide, was Monday. Mr. Preval

said the lawmakers' recent vote to extend the

term indefinitely until unscheduled elections in the future had no legal validity. "I have neither the authority to prolong their terms nor to dissolve Parliament," Mr. Preval

Open the Senate Trial

Since the trial of President Andrew Johnson in 1868, the Senate has cooducted its debates on procedures and even the final verdict of impeachments in closed session. The time has come for that tradition to be altered, at least for the trial of President Bill Clinton.

Senators Tom Harkin, Democrat of Iowa, and Paul Wellstone, Democrat of Minnesota, have announced that they will seek to change the rule on closed debates after the opening presentations begin Thursday. Whatever would be gained by allowing senators to deliberate privately, the overriding requirement is for the American public to see and judge firsthand whether justice is being done.

Some senators argue that the closed session last Friday, at which Democrats and Republicans worked out a compromise on trial procedures, showed that privacy can serve a constructive purpose. But the Harkin-Wellstone proposal would not pre-clude the Senate's adjourning and meeting outside the chamber at caucuses like the one last week.

The principle that should prevail is simply that proceedings that could lead to the removal of a president should be conducted in open session, especially since many Americans have questions about the fairness of the House impeachment proceedings. Closing the Senate's deliberations on so grave a

matter would undermine public confidence and be an affront to citizens' rights to observe the operations of gov-

Senators love their customs and ceremonies, but their institution's commanding trend has been toward openness. At the time of the nation's founding, all Senate sessions were closed. Uotil 1929, the Senate debated nominations and treaties in closed sessions. Until the reforms of the 1970s, many congressional hearings and meetings were in closed session. No one would seriously argue that these old practices should have been preserved.

As for impeachment trials, it is worth noting that they were open most of the 19th century. Privacy was adopted only for the trial of Johnson.

Some senators seem to believe that they should be regarded as jurors in a trial, and therefore allowed a measure of confidentiality. But the senators have privileges not available to regular juries. They may ask questions, speak publicly about the process and make motions. It is within their power to change the rules on closing the session, which would take two-thirds of a majority to be adopted. If openness drives senators toward

partisanship or prolixity, as some fear, let public scrutiny serve as the govemor on their excesses

-THE NEW YORK TIMES.

Step by Step in Nigeria

With all the demoralizing news coming out of Africa lately, it is worth taking note of a bright spot in Nigeria. Elections for state governors held there last week are reported to have been generally orderly and fair, marking another achievement on Nigeria's at-

tempted return to democracy. With brutal war flaring oearby in Sierra Leone and elsewhere on the continent, including in Congo and Angola, no one should underestimate the countervailing example Nigeria could provide if it succeeds in its transition from military rule.

No one should underestimate the difficulty of that transition either, even with two successful elections accomplished. Both were, in a sense, dress rehearsals for the parliamentary and presidential polls scheduled for next month, which in turn are meant to set the stage for a civilian government to take charge in May. Regional tensions, ethnic rivalries and the sbeer weight of past efforts at democracy gone bad suggest that nothing should be taken for granted in the coming months.

Even a smooth transition would be only a first step for Nigeria. Years of

plundering military dictatorship have left this potentially wealthy nation in sorry shape. Rich in oil, Nigeria has been reduced to the status of oil importer, with long lines for gasoline and, most recently, angry demonstrations against rising fuel prices. In regions long exploited for their oil, local populations are up in arms at their continued impoverishment and the despoof their environment. Throughout the country, the corrupt rule of the late despot Sani Abacha has left civic institutions, from political parties to the army, in need of re-building. A single election cannot do the job.

But it is fair to say that a successful election is a necessary precondition to Nigeria's rehabilitation. It would open the way to improved relations between Nigeria and other nations. More important, it might give Nigerians - and residents of smaller, neighboring countries, too - renewed faith in their ability to solve their own problems. That would be a welcome antidote to the bitter news coming from other parts of the African continent.

-THE WASHINGTON POST.

A Global Icon of Excellence

absence denies us the pleasure of clogged the middle; he developed a watching one of the world's great athgreat a letes and surely the most accomplished basketball player in the history of the game. His presence might have redeemed this sadly truncated season and restored some of the affection we had for the game before the owners and players almost took it away. It will oot be easy to replace a global icon.

But it is hard to fault his decision to retire or its timing. He is 35 years old. He does not, by his own admission, have the physical and mental edge that he has always required of himself. Our one hope is that this time he does not unretire, as he did in 1995 after flirting with professional baseball. He should honor the tradition of Sandy Koufax in baseball and Jim Brown in football and others who retired at the pinnacle, leaving us with our memories of unambiguous greatness.

As Magic Johnson once said, "There's Michael, then there's all the rest of us." The oumbers tell only part of the story, but a few bear repeating.

Jordan led the league in scoring 10 times, the most ever. His 31.5 points a game over his 13-year career is the highest regular-season average in the history of the National Basketball Association. He led the Chicago Bulls to

His athleticism — the soaring leaps, darting fakes, flawless ball handling was almost poetic. But what made Jordan special was his demanding code of personal excellence. He worked as hard in practice as he did in games. When critics complained that all he could do was score, he became the most

For selfish reasons, we wish that dominant defensive player in the game Michael Jordan had stayed on. His at his position. When opponents competitive. There were many important games where his singular determination seemed to will the Bulls to victory, but the memory that will endure is of a flu-ridden Jordan driving the lane against Utah in the 1997 champiooships, then leaning on his teammates for

support so he could play some more. Near the end of Jordan's antobiography, "For the Love of the Game: My Story," he says that "the evolutionary process never ends. Somebody is going to improve on my game." Perhaps so, but it is likely to be

— THE NEW YORK TIMES

Other Comment Justified Spying in Iraq

a long wait.

The arms inspection program in Iraq has always depended beavily, if in-directly, on U.S. spying. Was the ap-parent placement of listening devices in Iraq by an American on the UN team somehow dirty pool? The UN inspect-ors and the United States shared a common goal: to find and eliminate a massive clandestine weapons program that imperils all of Iraq's neighbors. That goal does not require "impartiality" by the UN inspectors but rather an unwavering commitment to ferreting out Iraq's hidden weapons. Iraqi behavior has simply allowed no alternative to using every intelligence means possible to uncover and destroy its provocative and threatening secret arms programs. — Los Angeles Times.

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Trifling With Lewinsky and National Security WASHINGTON — Depressingly little remains uniforminated about the private dealings and communications of Bill Clinton and Monica Lewinsky. But there is one corner of

this drama that could bear more light as

the Senate moves toward judgment: Mr. Clinton recognized in a tele-phone conversation with his young paramour that foreign intelligence organizations could, without much trouble, be listening in on their phone sex and other musings, according to Ms. Lewinsky's detailed and unchallenged testimony. What, then, did the president do to protect himself, and national security, from blackmail and damage, other than propose an absurd cover story to Ms. Lewinsky?

"It becomes clear that many people in the White House knew what was going on, in a general way," an inBy Jim Hoagland

telligence professional observed to me recently. This is the kind of thing foreign intelligence would have targeted early and with high priority. The next question becomes, Did the CIA or anybody else here pick up foreign intelligence reporting on the affair, and what became of any information they got?"

Seduction, betrayal and espionage are closely related arts that often feed on each other. That reality echoes through Mr. Clinton's observation to Ms. Lewinsky about his self-created vulnerability, as well as through the best spy fiction. John le Carré has a Soviet mole steal the love and sexual complicity of George Smiley's wife while he steals Britain's secrets.

Secrecy, deception and a desire for

revenge lie at the heart of betrayal — be it of a nation, a spouse or a friend. Understanding the relationship between infidelity, lies and national security made Smiley a great counterspy.

But fiction does not rival the Bill and Monica story. To create a shared secret in which the risks of discovery are so wildly disproportionate - as the president did in romancing a careeriess unmarried talkative intern half his age - is the height of recklessness for a national leader.

Such irresponsibility is the only basis the Senate would have in this case for considering the removal of Mr. Clinton from office. The counts of perjury about sex and obstruction of justice can and should be left to the courts. The morality of Mr. Clinton's betrayal of marriage vows should be left to the pastors, priests, rabbis and

their secular counterparts, television's talking heads.

But the Senate needs to understand. and through its deliberations explain to the nation, what national security risks the president took and how they were handled. In its final action, the Senate, should make an explicit judgment on whether there was a betrayal of the trust the nation put in Mr. Clinton to protect national security at all times, and how serious any such betrayal was.

It may be that we are so far beyond the Cold War that presidential indiscretions carry only trifling security risks today. Mr. Clinton seemed to endorse that view in the conversation reported by Ms. Lewinsky. The president's lawyers should certainly have an opportunity to advance or oppose; that view before the Senate.

The Washington Post.

China's Progress: A Step Forward, a Step Sideways

By Philip Bowring

By Charles Wolf Jr.

HONG KONG — China
moves like a crab. Its steps can never take it along a path of linear progress. Each involves a degree of deviation, each forward step toward liberty is a economy. sideways one toward disorder. In reality, forward progress may be slow and steady, but

through foreign prisms speed may seem to vary enormously. Six months ago China was seen as a global star, holding its currency stable to help the world, bolstering its economy, welcoming President Bill Clinton, embracing small steps toward democracy, pressing ahead with economic reform under the tough, articulate prime minister, Zhn Rongji.

Now we have a perception of China backtracking on political liberalization, jailing dissidents, issuing dubious economic growth statistics, reneging on some foreign debt, making nationalistic noises, putting enterprise reform on hold and again centralizing decision-making. Some of these negatives

ought to be regarded as progress toward better government and a more market-oriented

The decision to put Guangdong International Trust and Investment Corp, or GITIC, into bankruptcy has horrified foreign lenders who expected to be repaid by Berjing with few questions asked. Now they will have to wait in line. China's bankruptcy proceedings may be imperfect and there may be a touch of charginism in its attitude toward foreign banks. But it is progress for a China that badly needs to discipline its state enterprises and a timely lesson for the foreign banks whose behavior has, as elsewhere in Asia, been worse than merely naive.

Abandonment of the international trust and investment corporations has a political element in undermining provincial autonomy. But the lack of discipline of the provinces, which

were subject neither to central or market constraints, was a major factor in China's investment excesses that are the root of today's economic and banking troubles.

Mr. Zhu's cleanup may be selective but it is for real. Beijing is showing a tougher line toward corruption, jailing some high-profile local bankers, and is demonstrating antipathy to bailing out former friends. One is T.T. Tsui of Hong Kong, whose commercial empire, which had close links to the People's Liberation Army, is oow being threatened by writs from the Bank of China, among others.

The slowdown in selling off state companies and the listing of state enterprises may seem like a slowdown of reform. But it will be progress if it prevents insider get-rich-quick schemes.

It is also desirable for the authorities to crack down on smnggling, which now accounts, by some estimates, for Jiang Zemin to emphasize the

20 percent of imports. Smug-gling would be less if tariffs were lower, but the central government has an obligation to bring order to its borders, reduce official corruption and raise tax revenue that can help

redress national imbalances. As for China's growth, the numbers are suspect, but they have long been so. The difference now is that some of the foreign economists who parroted Beijing's numbers because they served the interests of their financial institutions now have a different agenda. Officials may still exaggerate growth expectations, but they are often disarmingly frank about the difficulties China is facing.

Supporting the new measures of central control are unreconstructed leftists, bureaucrats reasserting their powers and assorted opponents of economic liberalism and foreign trade. These elements have been at work in the political .sphere, influencing President

dangers of social disorder that has been used to justify barshen, treatment of dissidents.

Maria Herri

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But social disorder and political fragmentation are real dangers, not solely figments of reactionary imaginations.

There are many people of liberal inclination who wass reactionary imaginations. political development yet and nervous about the pace. Ching

is not a right-knit society readily, able, like South Korea, to enjoye a high level of political activity. demonstrations and striken while retaining social discipline and effective government. Many recent measures by the

government are testimony to its own weakness rather than to its power. Those who want Ching to develop as a market-orienterio open and eventually democration society have to recognize that curbing smuggling, corruption, and officially sanctioned fraud-are essential if the nation is to find a sustainable path between, authoritarianism and booty capita italism.

aional Herald Tribune.

The Markets, Government and the Cyclical Struggle

OS ANGELES — In 1992, Francis Fukuyama optimistically forecast that the "end of history" was at hand. The collapse of Soviet communism and the demonstrated failures of command economies, he contended, had led to universal acceptance of market-based,

capitalist democracies. The Manichaean struggle between the two systems was winding down.

Mr. Fukuyama's optimism was premature. Once again, the shortcom-

global capitalism are being sung by a politically diverse choir, including Prime Ministers Mohamad bin Mahathir in Malaysia and Yevgeni Primakov in Russia, Finance Minister Oskar Lafontaine in Germany and the international speculator George Soros. This "resumption" of history has been spurred by a series of financial crises in international markets, Asia's financial turmoil, Russia's default on \$15 billion of dollar-denominated Soviet debt and current pressures oo Brazil's debt-ridden. but otherwise promising, eco-

At bottom, critics have focased on "untrammeled" (read unregulated) markets as the principal cause of all this turmoil, although they have di-verged in their diagnoses and

WASHINGTON — Sierra Leone has become the

world's largest producer of ho-man misery. The United Nations

Leoneans have fled into Liberia

or Guinea. As the fighting in-

tensified in recent weeks, hun-

dreds of thousands more aban-

doned their homes and joined the

made an example of others by hacking off their hands or arms,

aged arm and asked my col-

Will my fingers grow back?"
The large-scale flight promp-

ted by these atrocities has wiped

the international community

had set up emergency feeding

centers, food shortages have

followed the war's ebb and

flow. Recent fighting along ac-

their feet or legs.

displaced inside the country.

Mr. Mahathir blames global hedge funds for his country's plight, and he has acted, accordingly, to insulate Malaysia. from international capital markets by governmental screening and control of capital movements into and out of the coun-Mr. Primakov and his aides

have proposed to reverse Russia's economic decline by imposing selective price controls, restricting foreign-currency large state-enterprise sector in the ecocomy. Mr. Lafontaine advocates

larger government spending programs, while insulating German and European Unioo markets from import competition and international financial Mr. Soros proposes setting up an International Credit In-

surance Corp., funded by the

governments of the Group of

Seven industrial nations (hence,

their taxpayers), to protect economies and investors from excessive financial volatility. On closer examination, these views are more reflective of the predilections of their protagonists than the reputed imper-fections of market-based eco-

For starters, there are no untrammeled free markets, nor does the canonical free-market

system presume that effective markets function without restrictions. For markets to operate effectively, clear and explicit rules of the game are essential. These include protection of property rights, legally binding and enforced con-tracts, established and reliable modes of resolving disputes, and free and open competition among producers, consumers. lenders, borrowers and investors. Without these rules.

Second, Asia's financial turmoil stems not from the operation of free markets but from a capitalism colored by personalistic or governmental excesses. In many of the affected countries, for example, there were excessive amounts of short-term lending and borrowing, and protracted support for overvaloed exchanges rates underwritten by the assumption that governments or multilatcral agencies would prop the currencies up if they came un-

der attack. Third, the story is similar in Russia. The absence of legal and other institutional restraints required for the smooth operation of markets, widespread fraud in the privatization of state-owned assets and an associated flight from the ruble all help explain Russia's economic

predicament. Underlying and

dollar Finally, what about the destabilizing effects of large, short-term speculative capital movements? To be sure, there

Nevertheless, oo a list of the bacle has been a "moral hazard" stemming from International Monetary Fund lending practices. Since the IMF bailed ont Indonesia with a \$40 billion package, lent \$60 billion to South Korea and lesser amounts to Thailand and the Philippines, should not Russian policy-makers expect more than the niggardly \$15 billion to \$20 billion that the IMF

ket with abcrrations from it Although the European Union, reinforced by its monetary union and single euro currency. differs from these cases, it, too, shows distinct signs of veering away from free, open and com-

contributing to the Russian de- Term Capital Management.

petitive markets. Having apparently redis-covered the attractions of Keynesian economics as a possible remedy for their chronic high-unemployment problems. the EU's finance ministers recently agreed on measures to insulate the union from potential external shocks by restricting outflows of capital and

offered?

limiting import competition.

If Mr. Lafontaine becomes the head of the European Commission, the executive arm of the EU, these trends are likely to be reinforced. Along this path lies a slower rate of growth in the EU's real gross domestic product and a depreciated value of the curo relative to the U.S.

is a need for greater trans-parency and timely disclosure to avoid the enormous and excessive leveraging by such ill-fated hedge funds as Long-

five or six major contributing factors to the international final ancial contagion of the past year, the destabilizing effects bit large hedge funds, incloding Long-Term Capital, Tiger Management and Mr. Soros Quantum Group, probability ranks seventh or eighth. For example, when the Malaysian ringgit was rapidly declining in August and September 1993; To blame the vagaries of free-market systems for these prob-pear to have been buying the

Whether some form of controls on large movements of short-term capital is desirable in addition to more timely disclosures of how and how much hedge funds are leveraged, is worthy of debate. On the one hand, some type of control, such as the Tobin tax or Chilean type of capital deposit," each of which would raise coss of short-term capital transactor tions, may contribute to in creased financial stability and reduce currency volatility. On the other hand, controls de signed to ward off financial volatility might instead gelled crate a cooragioo of additional controls, leading to corruption?

evasion and favoritism. However this argument magn be resolved, the struggled between markets and governil ments, despite Mr. Fukuyamair? forecast, is not history. It is I more likely to follow a cyclical pattern, sometimes conergingus. then submerging, over timent History rarely succumbs to ini-tial attempts to end it.

The writer is senior economis ic adviser and corporate fellow. in international economics asb Rand Corp. He contributed this comment to the Los Angelesa

IN OUR PAGES: 100, 75 AND 50 YEARS AGO-

1899: Mechanical Cars PARIS - The crusade of the residents in the Etoile quarter against the introduction of steam

or electric transways has not says the "Figaro," been alto-gether in vain. The La Muette-Rue Taitbout transway is, it is true, to be converted into a mechanical car, but the authorities promise to provide a perfectly silent system which will not frighten horses.

1924: Wet Speech

WASHINGTON - The Rev. O. J. Kvale, Independent, of Minnesota, who defeated Mr. Andrew J. Volstead at the last election, flung a bombshell into the dry ranks in Congress when in a remarkable speech he denounced the Volstead Act. The law, he said, is a travesty of justice and a farce, because "it has established a mighty low standard of ethics, making it lawful for a millionaire and his children to guzzle all the liquor they desire, while making it a crime for the man in overalls to make a gallon of grape wine."

1949: Guns Into Bella HAMBURG - Thirteen thou

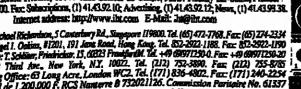
sand German church bells ready to be melted down and made into war material were discovered by Allied troops in Hamburg 1945. Dr. H. Sevetin, who is in the charge of the bells, said that 1,500 of them belong to Germally. communities in the Russian Zone, but that because of lack of co-operation between the two zones they could not be its turned. He said the Russians had hundreds of church belis belong ing to the western zones and that it has been impossible so far to negotiate a transfer. Some of the bells date back to the sixteenthy century. Some were cast from captured guns during the time of

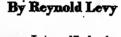
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A Rescue for Sierra Leone's Refugees

worsens. It is unlikely that the estimates that 440,000 Sierra international community will use militarized humanitarianism to reopen supply routes, as NATO did in Bosnia and Kosovo. Sierra Leone, perhaps the world's poorest country, has no strategic or economic value But what is worse is the terto the West, and its tragedy has ror. Rape and kidnapping have not drawn intensive media cov-

become commonplace. The in- erage. surgents, who lack popular sup-port, have committed barbaric Moreover, Sierra Leone resides in the shadow of reprisals against civilians sus-Mogadishu. The memory of pected of supporting the demo-American soldiers dying in cratically elected government. Somalia has made the United The guerrillas have burned villagers alive — women and chil-dren included. And they have ment in Africa.

My colleagues based in West the World Food Program, Unicef Africa say the United States can and the United Nations High help the situation and, with oth- Commissioner for Refugees. er concerned nations, make a But UN resources there are One such victim, a 6-year-old difference. We need to do sev-stretched thin. Leading nations called Flora, held up her band- eral things. First, recognize the urgency

out much of the country's ag- did when a million were masricultural economy. Although sacred in 1994 in Rwanda. Second, substantially increase the resources and logistical support to the African mul- International Rescue Committinational peacekeeping force

that came to the rescue of the

Nigeria and the other nations contributing troops and supplies to the effort are almost broke themselves. They need more than the words of encouragement, the unmet promises and the minimal aid we have been giving them. Third, provide additional funds to the Office of Foreign

Disaster Assistance. Because of

budget reductions, coupled with the extraordinary demands imposed by the recent hurricane in Central America and the crisis in Kosovo, the office lacks the funds necessary to respond adequately in Sierra Leone. Somalia has made the United Finally, rally our partners. States wary of military involveengaged in Sierra Leone through

must step up their support. Hundreds of thousands of people — the vast majority womediate, high-level attention as men and children - desperately a diplomatic and humanitarian need our help. If we listen to our crisis. Let us not stand by as we conscience - and the haunting voice of 6-year-old Flora --- we

will not ignore their plight. The writer is president of the tee, which operates refugee relief programs in West Africa and elsewhere. He contributed this relief efforts. And so the misery has been fighting on its behalf. to The Washington Post.

league Marie de la Soudière, of the simation and give it im-

cess routes seriously disrupted. Sierra Leonean government and

OPINION/LETTERS

If Men Are Out of Control, Where's a Nation to Turn?

By Maureen Dowd

WASHINGTON — Desperate ate times call for desperate cognoscenti think they've dis-covered the antidote to this putrid less in the nation's capital: a fe-Suddenly the

male president.
Talking about Elizabeth Dole, the ABC reporter Cokie Roberts said: "After what we've just been through, I think that women are looking better. The slogan could be, 'I won't embarrass you in front of your children."

Dennis Miller, the comedian, says we would never have to worry about Madame President unmoning Luke the Intern into the Oval Lair. "Guys never panse to ask "What's the downside here?" he says. "To Clinton,

Women were long considered hormonally unsuitable for high office or combat.

sex is like a Skinner box. He just keeps ramming his forehead into the corn kernel plate. Women do have some ability to extricate themselves from the abyss of desire. They do hover at that libidinal fail-safe point for a nanosécond. That's why they're the second. That's why they're the more evolved species."

'Women were long considered hormonally unsuitable for high of-

hormonally unsuitable for high of-fice or combat. Who can forget Newt Gingrich's warning that in war, women "have biological problems being in a ditch for 30 days because they get infections"? The House speaker also noted that anales are biologically driven to go out and hunt giraffes," while women liked to sit still.

But now it is the men who are acting hysterical, and Bill Clinton and Kenneth Starr who are scratching each other's eyes out. Women may be affected by lunar tides. But men are total lunatics. Women are sometimes driven by hormones. But men are pushed

around by them all day long.
"The prism has turned," says
Helen Fisher, an anthropologist at
Rutgers University. "Instead of Rutgers University, "Instead of phase of being tempted. But regarding females as headless maybe we just haven't evolved to that point yet."

We Americans have a president with a congenital need to get his hand caught in the cookie jar, so he can be rescued yet again by the brainy wife he has furned into Mommy Dearest. We have a "prosecutor" picking the wings off female bit players. We have a bunch of House conservatives who can't see their own hypo-crisy. We have Senate bloviators

engaged in an orgy of self-con-gratulation for their agreement to agree on very little. We have a chief justice who fails to appre-ciate the value of basic black. Now that the capital has been contaminated by testosterone,

why not try estrogen?
'Maybe men have recognized that women are better than men," mused George Stephanopoulos, the commentator and former Clin-ton aide. "Or maybe men are ar-rogant enough to believe that they don't have to worry about a wo-

man in power cheating."

There is an element of wishful thinking when men depict women as less driven by desire. Once they get the power, women can be just as sexually capricious and de-

manding as men.
"Isn't it touching that they think we are so under control?" says Ms. Fisher. "But every time a man is sleeping around, he is sleeping around with a woman. It's basic math that women are 50 percent of the problem here."

Men get in trouble by focusing on gratification. But women don't stay out of it by focusing on intimacy. Female pols often get burned on financial issues related

As a girlfriend of mine puts it, Women make the greatest mistake of all - trusting in a man in the first place, Who's made bigger mistakes in judgment, Hillary or Bill? I say Hillary did." If yon doubt this, witness Mrs. Clinton's shelling out \$375,000 from her blind trust to pay off Panla Jones. Doris Kearns Goodwin, the his-

torian, is not sure whether women have more purity or less oppor-tunity. "Women have had a nar-rower world," she says. "It would be nice to think women had internalized such high moral valnes that we could skip over the

The New York Times.



LETTERS TO THE EDITOR

The President's Trial

The managers of President Bill Chinton's trial in the U.S. Senate would do well to forgo prosecution on the first article of impeachment, involving alleged perjury. This would avoid the subject of his physical relationship with Monica winsky and remove any con-

sideration of a "perjury trap."

The nation would benefit from a shorter, more dignified trial. ERIC KAUMHEIMER.

The current idiocy in Congress - which Senator Arlen Specter, Republican of Pennsylvania, has characterized as the most important moment in the history of Anglo-Saxon jurisprudence -has been thoroughly repudiated by the man on the street. If the gulf between Washington and the rest of the country remains, there is a risk of government being marginalized and brought into dis-

ROBERT F. ILLING.

Uses of the Euro

Regarding "Putting on a Brave Face, the U.S. Welcomes the Euro" (Opinion, Jan. 7) by Wil-

been established to protect the European social model and European industrial and technological sovereignty, against American competitive pres-sures," and to protect the "values that set European society off from American society."

That simply is not so. The in-troduction of the euro was designed to promote the objectives of the Treaty of Rome, to knit Germany and France into such a tight economic and political fabric that they would never again make war against each other.

On economic and social grounds, the argument makes no sense. The "Euroland" social model has produced 10 percent memployment and the rise of delinquency to such a level that Prime Minister Lionel Jospin of France has declared insecurity as second only to memployment among the country's major problems.

As for protection against American competitive pressures, France, to cite one example, has been running large balance of payments surpluses for years, while America has been running large deficits. Who needs protection from whom?

CHRIS PETROW. Neuilly-sur-Seine, France.

Religious Life in Israel

liam Pfaff:
"The new European cur- Regarding "Israelis Revisit a rency," the writer asserts, "has Jewish Question" (Dec. 31):

The report states that "the Orthodox control religious life in Israel." This ignores the fact that the Reform and Conservative Jewish movements in Israel maintain 62 synagogues that operate with government licensing and partial public funding. Religious worship in all of these institutions can be conducted in an uninhib-

ited fashion. The Dec. 30 recognition by an Israeli district judge of Conser-vative and Reform conversions does not begin to address the deep divisions within these non-Orthodox religious Jewish communities as to who is a Jew.

For example, the Conservative Rabbinate does not recognize conversions performed by the Re-form Rabbinate, and the Reform Rabbinate in Israel does not necessarily recognize the Reform conversions that are conducted ontside of Israel.

Meanwhile, both the Conservative and Reform rabbinical bodies in Israel reject the American Reform definition of a Jew as being based on patrilineal descent, and both of these non-Orthdox bodies in Israel have firmly rejected the standards of some American Reform Rabbis who perform interfaith marriages and same sex "commitment ceremon-

DAVID BEDEN.

Health & Nutrition

nmigration

Dictators Are Watching The Khmer Rouge Case

By Anna Husarska

Nanything about Augusto Pinochet here. The editors of New Light of Myanmar, the state-owned, English-language daily, are careful about what they choose to publish. Justice catching up with perpetrators of crimes against humanity is not a jolly prospect for the military dictators of Burma as they contemplate their own future.

But not to worry. The news that immunity was possible for two Cambodian Khmer Rouge leaders who turned themselves in last month, Khicu Samphan and Nuon Chea, came just in time to cheer

MEANWHILE

up the raling clique in Rangoon. It made sure that this information was splashed all over New Light Burmese friends tell meall the other media outlets the col-

lective dictatorship controls.

No wonder. "Let bygones be bygones" — the appeal by Mr. Khien Samphan, Pol Pot's close collaborator, — must be an attractive slogan if you have thousands of deaths on your own conscience, no plan to extricate your country from an economic crisis, and if you are facing the threat of a social explosion due to the accumulated anger of your people.

This is the predicament not only of the rulers of Burma, but also of

Slobodan Milosevic of Serbia and Saddam Hussein of Iraq - although in crushing their popula-tions, none of the aforementioned thugs has matched the authors of genocide in Cambodia.

There are many arguments per-taining to Cambodia alone that snggest that Prime Minister Hun Sen's proposition 'to dig a hole and bury the past' should be ig-nored and a trial held.

But the fate of the Khmer Rouge leaders is not only a Cambodian problem. Immunity for them would be immediately noted by the criminals in Rangoon, Belgrade and Baghdad, who are anxious to see a pattern for their own salvation. It would embolden other owners to the properties. other current or prospective mass murderers and have consequences

All three countries are already un- national Herald Tribune.

D ANGOON — We do not read der economic sanctions. But Cambodia is vulnerable to international pressure, economic and political. It is dependent on multilateral and bilateral aid, and the government is anxious to obtain international validation.

In July 1997, Mr. Hun Sen, then the second prime minister, staged a coup against his coalition part-ners and got away with ir. A year later, he won elections that were far from free or fair; once more, be got the benefit of the doubt.

Mr. Hun Seu has on many occasions promised the UN human rights envoy in Cambodia, Thomas Hammemberg, that Khmer Ronge leaders will be judged. There is no reason to give him a break again. The United States has made its position clear. In May 1994, President Bill Clinton signed into law the Congress's Resolution 2656, known as the Cambodian Genocide Justice Act, which states, "It is the policy of the United States to support effects to being to justice members forts to bring to justice members of the Khmer Rouge for their crimes against humanity.

Now is the time for the United States and for the other main donors — Australia, Japan and the European Union — to support those efforts. The donor countries will hold a Consultative Group meeting in Tokyo at the end of February to decide on resuming aid to Cambodia.

Independently, a UN commis-sion of legal experts is to present in January a report on whether there are grounds to prosecute a dozen main leaders of the Khmer Rouge for genocide and crimes

against humanity.
Substantial documentation gathered by the UN Center for Human Rights in Phnom Penh suggests that there are grounds for prosecution. If so, Mr. Hun Sen, must be told that he is unwelcome. in the international community: while in the company of mass mur-. derers.

The perpetrators of genocide must be prosecuted. Justice is necessary not only for reconciliation among Cambodians, but also to discourage others.

far beyond the banks of Mekong.

The international community may not have much leverage against Burma, Serbia and Iraq.

The writer, who traveled to Burma as a consultant for the Open Society Institute, contributed this comment to the Inter-

The same of the sa

\$23. Farrar, Straus & Giroux.

THE setting and the spare stylistic precision with which Elizabeth Knox begins 'The Vintuer's Luck'

promise an unusual and savory historical feast. Very quickly, Knox, a New Zealand author of four previous books, establishes her authority as she evokes the Burgundian landscape in which her story is set. Her eroncally charged intrigue, which involves an earthbound wine grower named Sobran Jodean and a winged visitor from heaven named Xas. promises a kind of sophisticated, supernaturally tinged mystery embedded in the fateful soil of 19th-century France.

angel waiting for him, angry about Sobran's two-year absence.

plicated angel, a kind of compromise demissary from both God and Lucifer.

By Alan Truscott

THE New York Player of the Year title for 1998 was

won convincingly by Robb

Gordon of Manhattan, who

outdistanced all pursuers.

With almost all events com-

Gordon added to his total

with good results in the two main events at the Greater

New York Bridge Associ-

ation's Winter Regional Championships, which were

played in Manhattan. He was third, along with Linda Gor-

Smith with 105.

Knox uses the fermentation of the

Knox structures her story over single dates in a long stretch of years beginning placed a statue on the ridge.

object is not a statue, and be falls "against a warm, firm pillow of muscle," the angel Xas's sheltering wing: "pure sinew and bone under a cushion of feathers, complicated and accommodating against his side, hip, leg, the pinions split around his ankle." Xas drinks some of the vin bourn and tells Sobran to put some aside, so they can drink it together when it gets old. After giving Sobran some advice about winning the hand of Celeste, Xas promises

annual ritual, the descent from the skies of his angelic partner. He marries Celeste, who gives birth to one child after another. His business flourishes, and he becomes well known and respected in his region. When the old count dies, and his niece, Aurora, takes over the manor, Sobran becomes not only her estate manager but also her confidant. "The Vinmer's Luck" is slowly

BRIDGE

Moss and Elizabeth Reich.

North America with high

this occasion it was some-

pleted, he had scored 166 qualifying points, based on success al stinginess. Gordon and his

in major New York events. partner, Aaron Silverstein,

Second was William Ehlers surged to victory in the last

with 123, and third was Tom tound, overtaking David Yates and Michael Mc-

Wexler.

transformed from a darkly mystical and theological fable into a saga of several families and an angel, with marriages, betrayals, illnesses, deaths and tortured love affairs, both homosexual and hetcrosexual, following one another in dizzying but also numbing succession.

Knox remains stylistically in command throughout, and she remains master of the historical circumstances as well, her evocation of rural life in Burgundy never losing its authentic feel. What weakens her novel is its drift into a romantic and sexual melodrama that is supposed to involve towering passions but becomes contrived. Unlike Xas, Knox's dialogue sometimes fails to take flight, partly because the characters often seem to be expressing a motiveless quar-relsomeness that is portentous in form but is unjustified by the action of the story.

Finally there is the presence of Xas himself, an interesting device but one that never rises to any dramatic purpose that would warrant Knox's insertion of a fanciful, supernatural character into what is otherwise a very earthbound, naturalistic setting. At times Xas, involved in some murky way in the great conflict between God and Lucifer, seems a sardonic commentary on the Christian iconography of Milton or Dante. At other times, he appears as a Roman-god version of a Christian saint, not a figure of grandeur or wisdom but a meddler in human lives.

Xas, whose role in the second half of the story bears almost no connection with his supernatural origins, becomes an earthly wanderer and a figure in a menage a trois that is not made especially gripping by the presence of a

semiheavenly participant.

Knox clearly can fabricate a strange tale, but in this one she has not succeeded in exploiting the interesting pos-sibilities present at the beginning. New York Tones Service

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THE VINTNER'S LUCK

By Elizabeth Knox. 284 pages. Reviewed by Richard Bernstein

Certainly Knox displays considerable talent throughout this book, the first of novels to be published outside New Zealand. Her early chapters especially have a grainy intensity. A young woman is murdered, prompting indignation and fear among the local farmers, including the Comte de Vully, the lord of the nearby manor. Sobran follows his best friend, a youth named Baptiste Kalmann, to war with Napoleon, and he experiences the destruction of the French Army in Russia and the wintry death march home. He returns to find the.

But then "The Vintner's Luck" seems to lose its momentum, even as the years in Sobran's life and his ever more successful vintages pass into decades. Knox seems not to know exactly what to do with ber several themes, the life and loves of Sobran, the several gruesome murders and the theological symbolism of Xas, who turns out to be a com-

grapes on Sobran's hillside vineyards as a metaphor for the ferment of history and character. The idea is a good one, but the passions of her characters never seem quite persuasive enough to give her story the strong and clearly defined aromas she intends.

with 1808, which she labels "Vin Bourro," (New Wine) and ending half a century later. We first encounter the young Sobran, disappointed in love and solacing himself with two bottles of the family vintage a week after midsummer on a ridge that marks the border between his and his neighbor's vineyards. Sobran, who is upset over his failed courtship of Celeste, a maid in his greataunt's household with a history of family madness, sees that somebody has

Sobran swoons when he sees that the

to return every year on the same day.

Sobran's life thus acquires a secret

Teams. The winners were Jon ation, when no clear game is have been unbeatable. Oddly, Heller, Uday Ivatury, Brad available, are often over-South's heart suit was worth Moss and Elizabeth Reich. looked. The defense began by five tricks in defense against Gordon followed with a cashing two top spades. West no-trump but only four in a victory in the Greenpoint shifted to a diamond, bringing heart contract.

Pairs, one of the few events in the eight, queen and ace. South returned a diamond, entry fees and cash prizes. On and West took his king. He **₽QJ843** shifted to clubs, and after tak-♦ J982 ing three tricks in the suit East was able to play a fourth club. South had no way to avoid the **4 A K 10 2** loss of two trump tricks for a 2105 496 penalty of 800. Namara, who fell to third.

Snatching second place were with all the other tables. East
Wexter.

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On the diagramed deal, tried three no-trump unsuc-

PA742 ₽KQ93 4.38 4 2 Gordon as East made a good : cessfully. After hearts were Gordon as East made a good cessfully. After hearts were decision by making a penalty led the defense had to take six bidding: pass when his partner tricks for down two. The heart doubled a weak two-heart spots were crucial: If East had North East don, Jell Aker and which are bid. The advantages of a penheld the eight instead of the Roard-s-Match alty pass in this type of sim-Pass the presugrous alty pass in this type of sitn-seven, three no-trump would

CribTech

ALT /Commentary

Y2K Bug: Don't Blame **Original Programmers**

Experts of Yesteryear Had Other Problems

By Paul Ceruzzi Washington Post Service

TASHINGTON — "Y2K" software phenomenon, whereby computer software cannot distinguish the year 2000 from the year 1900, is about to leach us something of the nature of technology - a lesson worth learn-

ing.
In most of the accounts of how we got into this mess, one hears programmers say that it would have been easy to add space for four — instead of just two — digits to specify the year, but that no one thought it was necessary at the time.

Wrong. Just because it is easy to do that now does not mean it was easy — even possible — to do it in the 1950s and 60s, when business data pro-

cessing first got under way.

That leads to the first basic truth about technology that the Y2K prob-lem reveals: Technology is about making things that just barely work.

The Wright brothers' first flights all lasted less than a minute. The first electronic combroke down with burned-out tube after only

15 or 20 minutes of operation. The first commercial computers broke only slightly less frequently, required conditioning to keep them runniog and

Asking why a programmer did oot set aside an extra two spaces

for the number 19 would be akin to asking Charles Lindbergh why he did not provide an in-flight movie for his 1927 flight, Computer programmers did oot set aside four places for the year because they were happy if they could get their programs to work with any digits.

A second comment one often hears is that programmers who coded the year with only two digits back in the 50s and '60s never thought their work would last into the cext century.

Wrong again. From the beginning of programming, electronic digital computer people recognized that once they had writteo a piece of code that worked and was free of "hugs," or errors, that code was precious and ought to be reused as much as practical. Fragments of programs that handled date calculations were precisely such valuable properties, and they were widely shared, reused and

copied among programmers.

It is true that the computers on. which those programs were written were soon rendered obsolete and were replaced by oewer machines, but when that happened the original programs — old but working — were often translated and incorporated into the software for the new machines.

And that philosophy was not restricted to computing's early days (that is, before 1970): Deep inside today's Windows software are pieces of code from MS-DOS, written almost 20 years ago. In "computer years," that is a couple of lifetimes.

A lot of new technology is around in the 1990s that was not here a few vears ago: cellular phones, laptop computers, satellite positioning systems, and so forth. But marketing slogans about how revolutionary

every new product is must be taken with a few grains of salt.

Reusing and adapting what has already been done is common in modern technology. Engineers in all fields build new things based on what has already been successfully implemen-

But there was a moment in history when the year 2000 problem might have been avoided. That occurred in December 1963, when International Business Machines Corp., the dominant computer manufacturer, was en-gaged in a struggle with Honeywell Inc. for the future of business com-

IBM was planning to come out with a new series of computers, which it called System/360. These computers were incompatible with the ex-isting line of IBM machines then installed around the world. Customers who moved over to System/360 presumably would have to rewrite all their software.

Given the capabilities of the new machines, there would have been ample room to

> properly avoid any unpleasantness in 2000.

But Honeywell, seeing an opportunity to grab IBM customers, introduced a machine that was both cheap and powerful. And tem/360, it ran existing

software written for IBM's most popular business compoter, the model 1401. That software,

punched cards, seldom if ever used more than two places to code the

Honeywell's new computer, the H-200 began selling well, taking sales away from IBM's existing line of 1401 computers and threatening its future line of computers as well. IBM's response was to develop a special version of its System/360 that "emulated" the 1401 — that is, it ran older software and made the new computer behave as if it were an older one. Customers could thus have the best of all worlds: the ability to run software they had already written plus the advantages of the new System/360 architecture.

TWAS a brilliant engineering decision, one that preserved IBM's lead over Honeywell and guaranteed that IBM would dominate business computing for decades. Emulation became a common way of introducing a new processor or computer architecture, and it is also commoo in desktop machines today.

But the decision by IBM had an unforeseen consequence: Programs written for the IBM 1401, two-digit date field and all, were to survive long after their programmers retired.

Perhaps one of the most neglected lessons of a ceotury that began with steam locomotives, telegraphs and horse-drawn streetcars and ended with the World Wide Web is that we need to pay attention not just to those who tell us what our wondrous inventions can do but to the ones who have an inkling of what they cannot do.

Paul Ceruzzi is a curator in the space history division of the National Air and Space Museum in Washing-

'Silicon Curtain' Watches U.S. Borders

By Verne Kopytoff
New York Times Service

AN DIEGO — From a hillside overlooking the U.S. border with Mexico, you can see the many obstacles that illegal aliens and drug smugglers must navigate to enter the United States. There is a steel fence cutting across miles of scruh, stadium lights that illuminate the night and hundreds of government agents posted in vans and inspection booths.

But increasingly, the border is being fortified with yet another line of defense that even the fastest sprinter may have trouble eluding. Whether using stealth or crossing legally hy car, migrants and United States citizens alike must now overcome a barrier of computer chips, copper wires, video monitors and camera leases.

To try to stop lawbreakers from entering the country and speed along the law-abiding who sometimes must wait for hours to cross the border with a truck or car, the government is enlisting the help of technology. Within their first moments after entering the United States, most travelers become the

focus of electronic scrutiny.

"We are clearly coming into the 20th century just in time," said Doris Meissner, commissioner of the U.S. Immigration and Nantralization Service. Nowhere is that more true than here in San Diego, where thousands of people cross the border, legally or illegally, each day. The federal agencies that oversee the frontier have installed a scrum of gadgets that can, for example, find hidden compartments where drugs might be stashed, scan license plates to see whether a car has been stolen and help lawenforcement officers see migrants concealed in the bush

Among the most sophisticated systems on the border is the one at the Otay Mesa crossing, a bustling port of entry on the outskirts of this seaside city. Frequent commuters can avoid waits of as long as two hours by using what is called an automated driving lane. It is the difference between traveling first class and suffering in steerage.

Cars in the program are equipped with transponders that emit a sort of radio fingerprint. As a car approaches the border, the license plate oumber, names of the authorized occupants and their photographs appear on a monitor inside the inspector's booth. Inspectors compare these images with the faces inside the cars to see whether there are any interlopers. Leaning outside her booth into the ear fumes, Christine Aranita, an Immigration and Naturalization inspector, noted people who had shaved their beards or gained weight but

nothing out of the ordinary.

As drivers swiped an identity card through a machine, she asked whether they had brought anything with them from Mexico and, when told no, wished them a good day. A random few were referred to the inspection area by the computer as a precantion against smuggling, but the majority continued on their way after a concrete barrier was lowered into the driveway.

In the other lanes, you have to check the immigration documents and make sure that they actually belong to them, because we have a lot of fraud," Ms. Aranita said. "The good thing about the automated lane is that they've already gone through a background check, so it's much faster. We already

THE GOAL OF the automated lane is to allow inspectors to dispatch low-risk travelers quickly and spend more time with the others. As it is, inspectors in the regular lanes typically spend less than a minute to question each commuter and examine their documents.

Olga Gomez, one of the 3,300 people authorized to use the automated lane, was enthusiastic about the program. "Waiting in line used to be horrible," she said, for her commute between her home in San Diego and her job at a furniture factory in Tijuana. Now she crosses the border in about 40 seconds.

The \$129 annual fee to participate in the program does not bother her. "Believe me, I pay that with a happy face." said Ms. Gomez, who was having her fingerprints scanned by a componer in the port office to renew her identity card.

Some remote ports of entry along the Canadian border employ other kinds of technology that let people cross even after everyone who works there has gone home for the day. In Scobey, Montana, for example, residents can use an unstaffed crossing where the key to opening the gate is speaking into a microphone so that a computer can analyze their voices and let pass those people it recognizes. In the Northeast, there are several border crossings where inspectors can work via video camera from dozens of miles away. Travelers must hold up their identity documents and sometimes open their trunks for a camera so that the images can be transmitted back to inspectors watching on a television screen.

Cameras also play a role at Otay Mesa, where they scan the license plate of every passing car so that a computer can check it against a criminal lookout list. If the computer finds a

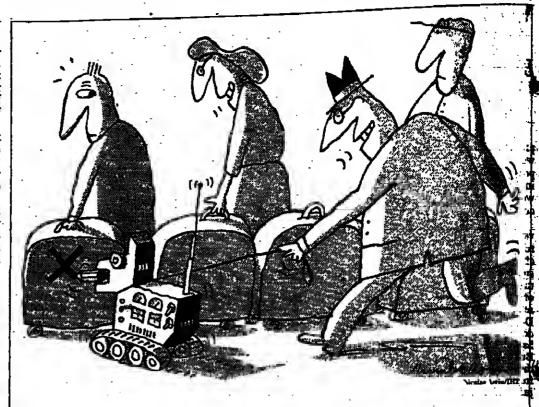
problem, it alerts the inspector with a loud beep.

Keeping reliable files on illegal aliens, who often use fraodulent documents or carry no identification, is almost as casy. Using digitalized fingerprints, a computer system can determine whether an alien has been apprehended before or is wanted by the police.

It used to be difficult enough just to determine whether someone crossing the border was carrying an authentic green card or other document. But the immigration service has recently started phasing in cards that include holograms, magnotic stripes and digital photographs that make them difficult to duplicate. Layered defense is also the theme in inspecting trucks, which for years have been used to smuggle everything from Cuban cigars to cocaine, from humans to puffer fish.

"We don't rely on any one piece of technology," said Ray Mintz, director of applied technology for the Customs Service, which oversees vehicle inspections. "Every truck, every car, every container that comes in the country will run the gamot of three or four different securities:"

Those include drive-through X-ray machines and fiberoptic cameras that look into hard-to-reach places such as gas tanks. In El Paso, Texas, a machine alerts inspectors when a passing truck is carrying radioactive material.



Electronic Dogs Sniff Out Drugs

New York Times Service

T DOES NOT bark, wag its tail or scratch when sniffing for drugs and explosives at American airports and border crossings. Rather, this device simply flashes a red light when it has detected contraband and, on a digital

display screen, tells what kind.
Call them electronic dogs. These suitcasesized instruments are increasingly being used by U.S. anthorities to stop drug smugglers from entering the country and terrorists from blowing up airplanes. They check for prohibited materials without tiring and without pawing at the

More properly called particle detectors or trace detectors, these devices are perhaps best known for their use in airports. They work on the principle that people who have handled explosives, for example, leave traces of it on much of what they touch.

"The word on the street was that canines were 100 times better than the detectors," said Tony Fainberg, director of the civilian aviation policy for the Federal Aviation Administration. "But now we believe that the detectors are about equal, and, in some cases, better."

Part of the reason for using this technology, he said, is that explosives do not always show up oo X-ray machines. He added that while the federal agency does sometimes use dogs, the canines need frequent breaks, are not good at checking a large volume of passengers and are considered by some people to be intrusive.

Other U.S. agencies, such as the Customs: Service and the Coast Gnard, also use particle; detectors. But, in contrast to the aviation administration, their agents search for both drugs and explosives, often by wiping steering wheels, travel documents and door handles.

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The aviation agency's detectors, which are set to search only for explosives, are located inside U.S. airport terminals next to the X-ray machines. To use the devices, security guards usually wipe the handles of carry-on luggage with a piece of cloth to piece up microscopic particles. piece of cloth to pick up microscopic particles.

The cloth is then placed inside the detector and heated to make the particles that were absorbed turn to vapor. Within a few seconds, the intraces of cootraband.

A few other detectors rely on a different method to get their fill of particles. For these, security guards use a tiny vacuum cleaner to suck the air around baggage.

According to Mr. Fainberg, trace detectors are on

generally powerful enough to point out the loggage of passengers who are taking nitroglycerin pills as medication for heart conditions. They is military and the police whose work involves demolition or explosives.

Since 1997, the aviation agency has installed and 327 trace detectors at U.S. airports, and Mr. and Fainberg said it planned to have detectors at every terminal in a few years.

—VERNE KOPYTOFF

A Fast Lane Past Immigration

New York Times Service FTER A LONG international flight, the in line at the airport.

But wait they do, sometimes for as long as an hour, as immigration inspectors check passports and ask questions in an effort to stop criminals and illegal aliens from entering a country.

But now, by using what looks like an automated teller machine, some travelers arriving in the United States can be on their way in a flash. People enrolled in a program called Inspass can avoid the bureaucracy by simply inserting an identity card into a machine, placing a hand into

an automatic identity analyzer and then, if all goes well, walking through an open gate. The program is open to frequent business travelers, who are considered a low-risk group, from 29 designated low-risk countries.

'Sometimes the lines are so full." said Yoko Omae, a flight attendant from Japan who was using the Inspass machine at Los Angeles International Airport recently after working oo a flight from Tokyo. "During Christmas, New Year's and summer it takes an hour to go

through. This system is a great idea." On this occasion, it took Ms. Omae about 40 seconds to be allowed entry. The computer examined a national database to find out whether she was wanted by police and verified her identity using a relatively new technique called hand geometrics

To prove that she was authorized to enter the

country, Ms. Omae followed instructions on a d screen to put her right hand inside a slot on the A first thing most travelers want to do is grab their luggage and go to bed, out wait purer compared the profile of her hand with one it puter compared the profile of her hand with one it is took last year when she enrolled in the program. Once cleared, she received a receipt from the ut

computer and went to pick up her luggage and to

be cleared, like other travelers, by Agriculture Department and customs inspectors. If she had been refused entry, either because of : a criminal alert or as an error, a message would :

have appeared on the screen telling her to wait in the line to see an inspector.

So far, nearly 75,000 people have enrolled in

the Inspass program, which is available at an increasing number of U.S. airports. Applicants must generally be people who travel at least three » times a year, they must be interviewed and then : undergo a computer background check that takes only a few seconds before being issued a magnetic striped card printed with their picture.

Thomas Graber, director of the Immigration and Naturalization Service at the Los Angeles & airport, said the program allowed his inspectors of to spend more time trying to spot criminals or travelers using fraudulent documents or overstaying their visas. Without Inspass, he said. inspectors have only an average of 30 to 45 seconds to determine whether a traveler should :p be allowed to enter the country.

What we are trying to do is move the lowrisk passengers through and take the inspectors of we have and concentrate them on the bad guys," Mr. Graber said. - VERNE KOPYTOFF

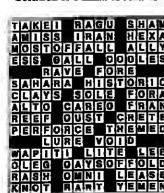
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Solution to Puzzle of Jan. 13



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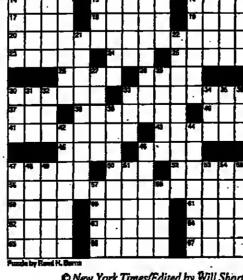
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See our International Franchises every Wednesday in The Intermarket

BIG BLUE INVENTS: Internation-Business Machines Corp. won a record number of patents in 1998, mostly for new software and semiconductor

technology.

The U.S. government awarded IBM 2,658 individual and 24 jointly held patents for the year, breaking the record that IBM set with 1,867 in 1996, according to IFI/Plenum Data Corp., a patent registry. It was the sixth con-secutive year IBM had topped the list of patent recipients.

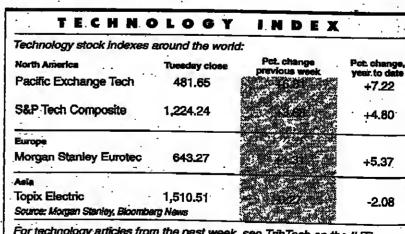
Many of the patents are for Internet software and handheld devices, markets that IBM has made priorities. "That's what the patents are for - to go beyond the PC era," said Nicholas Donofrio, senior vice president of technology and manufacturing. Canon Inc. was second for the year with 1,925 patents, followed by NEC Corp., with 1,628, Motorola Inc., with 1,406, and Sony Corp., with (Bloomberg) 1.315.

MICROSOFT WORDSMITH: James Fallows, former editor of U.S. News and World Report and author of "Breaking the News: How the Media Undermine American Democracy," joined Microsoft Corp. last week as a member of the product-development ream for Word, the leading word-processing program.

Mr. Fallows says he wants to make Word more helpful and less irritating to ase for people who do in-depth research BRIEFLY

and writing, including academics, journalists and authors. He says he intends to work at Microsoft for six months or so and then return to writing managine articles and books. (NYT)

WEB GROWTH: Network Solutions Inc., the Virginia-based Internet registry company, registered about 1.91 million new Web addresses in 1998, up from 960,000 in 1997. (Reuters).



For technology articles from the past week, see TribTech on the IHT's World Wide Web site at http://www.iht.com. Articles include: The Rise and Fall of the Modern King, Net Stocks Lead Market Down, for a Change,

On-Line Firms Let investors Grab a Share - E-Trade to Move Into Investment Banking. of New Issues, Jan. \$
Internet Mania Grips the Market, Jan. 8 Sega's Game is a Sellout, Jan. 8
 Lots of Chatter in the AOL infield, Jan. 11

 Afraid of Getting Burned by Buying Cyber Stocks? Try an Internet Fund, Jan. 13 A Graphic Highfiler Comes Down to Earth, Murdoch: An Asia Optimist But a Skeptic on

Internet, Jan. 13

To reach TitoTech editors or to comment on IHT tech coverage, send e-mail to tribtech @iht.com.

Wall Street Is Shaken, Not Stirred

Brazil Hits Confidence, but Long-Term Outlook Remains Bullish

By Mitchell Martin rnational Herald Tribune

NEW YORK - Brazil's economic problems created a short-lived panie in world stock markets Wednesday, but prices ended above their lowest levels as investors took the view that the crisis would largely be contained within the country's borders.

As news spread of an effective devaluation of the real and the related resignation of Brazil's central bank chief, European and theo American stock prices plunged. The European markets closed with substantial losses of 3 percent to 4 percent, but U.S. stocks rebounded from an early sell-off. The Dow Jones industrial average closed down 125.12 points at 9,349.56 after having been down more than 260 points. But the most dramatic reversal was in the Nasdaq index, which recovered from a 100-point slide to close down

TOUT Drug just 3.43 points at 2.317.32 American stocks have been under pressure this week, in part because of Brazil, and they showed sharp losses Tuesday. Peter Canelo, an investment strategist at Morgan Stanley Dean Witter & Co., said the market had become overbought" in recent days, though he

Lucent to Buy

Ascend, Maker

Of Gear for Net

NEW YORK - Lucent Technolo-

gies Iuc, said Wednesday that it would

boy Ascend Communications Inc. for

about \$20 billion in stock in a deal that

could reshape the market for telecom-

Both companies' boards approved

Ascend is a major supplier of com-

puter networking gear, and it is expected

to provide the expertise in Internet-style communications technology that Lucent needs to compete in the \$200 billion-a-

California-based Ascend competes in a field dominated by Cisco Systems, the

networking company that has supplied

about three-quarters of the oots and bolts used to build the Internet.

"Ascend will give Lucent a piece of the pie they really don't have right now," said Craig Johnson, principal analyst at Pita Group in Portland, Ore-gon. "It'll definitely increase the com-petition against Cisco." Lucent said it

would exchange 0.825 of its shares for

each Ascend share. Ascend shares rose \$5.375 to close at \$80.3125; Lucent was down \$3.375 at \$104.50.

The purchase will not affect earnings

this year, Lucent said, and will add to

profit beginning next year. Investors said the acquisition improved the out-

look for Lucent's profit and its shares,

in the past three months.

which have more than doubled in price

The chief executive of Ascend, Mory

Ejabat, will stay with the company for

As it absorbs Ascend, Lucent plans to

create a broadband networks group made up of the data-networking systems, op-

tical-networking and communications-software units of both companies. The

new operation will be run by Dan Stanzione, chief operating officer of Lucent.

Lucent has made a series of small

acquisitions since it was spun off from

AT&T, including 11 deals in the data-networking market. Ascend would be

its largest purchase yet.
(Bloomberg, AP)

Lucent Taking Stake in Amper

Lucent agreed to buy 12.2 percent of Amper SA from Telefonica SA for 40.94

million euros (\$64.1 million), starting an

affiance that could make Lucent the

higgest supplier to the top Spanish tele-

communications company, Bloomberg

erence when, over the next three years, it

sells its remaining 12.2 percent stake.

Telefonica also promised Lucent pref-

News reported from Madrid.

'a transition period," Lucent said.

munications equipment.

remained a long-term optimist.

Brazil was one of several catalysts for an impending correction, he said, citing the impeachment trial of President Bill Clinton and the extremely rapid advances in Internet-related stocks as others.

Several analysts said the worries. aboot Brazil had given investors a reason to sell some stocks that had appreciated in recent months, and they were encouraged by signs that those profits were being reinvested into more modestly valued shares. 'Brazil was the reason du jour to take profits, which are awesome for anyone who bought in September, October or November," said Michael Holland, an investment manger who has his own firm.

For example, the Internet portal Ya-hoo! Inc., closed down 34 at 368. On Aug. 31, the shares closed at 69. Caesar Bryan, senior vice president at Gabelli Asset Management Co., said that if investors had really been afraid of the kind of sell-off seen in response to the Asian crisis in October 1997, "Yahoo would be trading at 10 rather than 390."

Many analysts agreed that the early decline on Wall Street had been overdone. Yet there was also a silver lining to that early cloud. "Perversely," Mr. Gerding said. "it's good news, only in

the sense that markets are back to assessing risk again."
Brazil, he noted, has been recognized

as a problem for months, except perhaps by exuberant investors. "Somebody all of a sudden woke up and looked at Brazil and said, 'Gee, there is a risk of devaluation and there is a risk of much higher rates,' "Mr. Gerding said. "That is the market mechanism for assessing

risk and valuing it more properly."

Another positive sign for the market was that the prices of Intel Corp. and Sun Microsystems rose, reflecting the recently improved outlook for the company to be properly. puter hardware industry. Intel rose 3 7/16 to 139, and Sun added 3 7/16 to 96

"The strategy has been to buy on the dips," Bill Allyn, head of listed trading at Jefferies & Co., told Bloomberg News. "Until that strategy proves faulty, people will continue to react that

ay. Our market is going higher."
But the news was not all good. In Brazil itself, the Bovespa index finished down 5.05 percent, bringing its drop so far this year to 17.21 percent. Analysts said the devaluation could put economic pressure on Argentina, Brazil's biggest

See MARKET, Page 10



Market players trading shares in Telebras, Brazil's phone firm, Wednesday at the New York Stock Exchange.

Drop in Jobless Lifts Outlook for Britain The decline in jobless rolls, which followed increases in November and

LONDON - The oumber of Britons out of work tumbled to the lowest level in oearly two decades in December, the Office for National Statistics said Wednesday, casting doubt on whether the British economy is sliding into reces-

Jobless rolls shrank by 14,000 in the month, to 1,311,000, leaving the unemployment rate steady at 4.6 percent. The decline took the oumber of people filing unemployment claims to its low-est level since June 1980, with the rate falling to its lowest point since May the same year.

The figures surprised economists, who had expected a rise in the jobless rate as economic growth faltered.

"U.K. economic pessimism has been overdone," said Marian Bell, economist at the Royal Bank of Scotland. "These figures will serve as a warning that the shape of the economy is not so bad."

October, reflects what many economists say is the resilience of Britain's service industries, which account for about twothirds of the economy.

"We are seeing a slowdown rather than an absolute collapse, and it seems that the more apocalyptic fears about activity have probably been overdone. said Ian Stewart, an economist at Merrill

Jobless rolls have falleo steadily over the six years since Britain left Europe's exchange-rate mechanism, allowing the bound and interest rates to fall and stimulating British exports and employment. But six interest-rate increases by the Bank of England from May 1997 through last June, which took the benchmark rate to 7.5 percent, strengthened the pound and undercut British exports,

leading manufacturers to cut jobs. Economists said it was only a matter of time before the string of job losses that had been announced since last autumn show up in the official figures, signaling an end to the expansion that began in 1992.

Bot the December jobless fall flashed positive signals oo the economy's health, suggesting that a "soft landing" may yet be achieved.

Ecocomists said the December jobs report sent a mixed signal to the Bank of England, which is weighing further in-terest rate cots after cutting its beochmark rate four times in as many months to 6 percent, to weaken the pound and stave off a recession.

Late Tuesday, Eddie George, gov-ernor of the Bank of England, rold business leaders he thought the British economy would avoid a steep or protracted recession. Mr. George said the central bank would not hesitate to cut rates if

economic prospects deteriorated. (Bloomberg, Reuters)

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the deal Tuesday, and it is expected to be completed by early summer. Lucent, which was spun off from AT&T Corp. in 1996, is among the oldest suppliers of traditional equipment used by telephone companies.

wear telecommunications industry.

Ministers Heat Up Tussle With ECB on Euro Rates

By John Schmid International Herald Tribusie

FRANKFURT -- Finance ministers from Germany and France threatened Wednesday to escalate an ideological feud with the European Central Bank over political influence on the enro's exchange rate.

"Market players should know that we do not welcome an excessive in-crease in the euro," Finance Minister Oskar Lafontaine of Germany and his "This is definitely something that tucent needed to do," said Andy Hopkins of Wilmington Trust Corp. "The stock was getting a little pricey without data-networking products." French counterpart, Dominique Strauss-Kalm, said in a joint statement.

Amid growing worries that a strong euro could inflict damage on an already slowing European economy putting the region's exports at a disadvantage, the two officials said the 11 euro-zone governments should adopt a "coherent stance" on exchange rates and possibly establish "general guidelines for ex-change rates" between the dollar and

The memorandum, which repeated German government arguments for interest-rate reductions, shows that political pressure on the European Central Bank will not disappear anytime soon, even if it clashes with the spirit of the

new bank's political autonomy.

"That pressure will always be there," said Joachim Feis, an analyst at Morgan Stanley Dean Witter in London. "It is clear that politicians would not give up in trying to play a role in exchange-rate policy."

A spokeswoman at ECB headquar-

ters in Frankfurt declined to comment on the finance ministers' remarks, which were contributed to the weekly German newspaper, Die Zeit.

The unceasing tussle over currency rates, which began in September with

the election of a leftist German administration, reflects how powerful they are as an economic policy tool, economists said. Even before the European Central Bank began operations less than two weeks ago, it had to fend off German government demands to impose

exchange-rate corridors on the euro.

"The governments in large part hold the responsibility to eliminate the inadequacies of the markets," the statement said. It cited a "philosophical comment said. vergence" across the European Union, with 13 of the 15 EU nations held by center-left governments.

Currency instability is expected to be on the agenda at a two-day meeting of Buropean and Asian finance ministers Friday in Frankfurt. With Germany holding the presidency of the Group of Seven industrial economies this year, currency stabilization plans are sure to be on the agenda at the G-7 summit talks

Time in Cologne.
"The euro and dollar collectively will cover most of the global financial transactions," according to the state-ment. "That means the exchange rates between the dollar and euro will define

the global economy."
Eckhard Schulte, a Frankfurt-based economist for the Industrial Bank of Japan Ltd., said the statement could keep frictions out in the open between the central bank and the governments. "The ECB will not be very amused by

this proposal," he said. The Maastricht treaty on European monetary union allows governments in the euro zone to issue general guidelines on exchange rates, but the treaty also gives the politically autonomous central bank the right to override the guidelines if the bank thinks they conflict with its inflation-fighting mandate.



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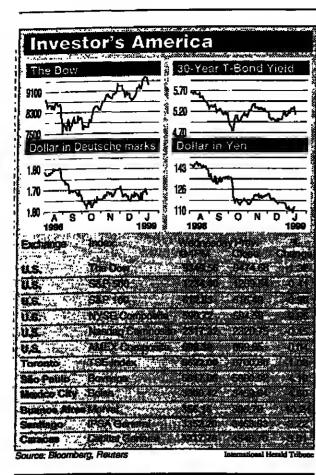
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In



Very briefly:

• America Online Inc. and Bell Atlantic Corp. formed an alliance to provide high-speed access to the Internet. AOL will begin selling the digital subscriber line service to its members in Bell Atlantic's service area in the eastern United States.

• Air Touch Communications Inc., the U.S. cellular-phone company that is a target of rival takeover bids, raised its stake in Omnitel Pronto Italia SpA, Europe's second-largest mobile-phone company, to 17.8 percent from 15.5 percent. Terms were not disclosed.

 Boyd Gaming Corp., which owns 12 U.S. casinos, named two executives to head a joint venture with Mirage Resorts Inc. to develop a \$750 million Italian-themed casino-resort in "B Atlantic City, New Jersey. Robert Boughner will be chief executive of the resort, the Borgota, and Kevin Sullivan will be vice president and project manager. The resort is scheduled to open in 2002.

 Wiggins Group PLC, a British holding company, signed a letter of intent to build a cargo hub at the airport in Smyrna, Tennessee, as the first step in its plan to create a network for transporting oversized equipment and other cargo between the United States and Europe. Bloomberg, Reuters, AP

SEC Accuses Theater Company

The Associated Press

nomic boom.

The Oblive YORK — Livent Inc., the Canadian theater-production company, and its ousted founders were accused Wednesday of inflating the company's earnings and engaging will fragile economies could be bit ing to have the best growth. They are bond, closed up 1 8/32 at 101 25/32, in a kickback conspirery that earned them \$4.6 million. in a kickback conspiracy that earned them \$4.6 million.

The Securities and Exchange Commission brought the fraud charges against the company, whose shares are traded in Canada and the United States. The lawsuit contends that P.M. trading from 112.425 yea Tuesbetween 1990 and 1994 Livent's founders, Garth Drabinsky and Myron Gottlieb, engaged in a kickback conspiracy to siphon off \$4.6 million by inflating invoices paid to vendors. to \$1.6482 from \$1.6305.

Euro Climbs After Brazil's Devaluation

Bridge News
NEW YORK — The euro passed its first international crisis with flying colors Wednesday, rising against the dollar after Brazil effectively devalued its currency, the

real, by nearly 9 percent.

The news unsettled stock, bond and foreign-exchange markets around the world as investors feared another financial crisis like those already seen in Asia and Russia. The euro rose to \$1.1672 from

FOREIGN EXCHANCE

\$1.1565 on Tuesday as the dollar

buckled amid fears that Brazil's economic problems could spread across Latin America to other major trading partners of the United

"It was all Brazil in the euro market," said Hugh Walsh, senior trader at Commerzbank. An early steep sell-off in the U.S. stock market because of the Brazil

itters also undermined the dollar. Analysts said investors feared that a more substantial real devaluation could be in store after the president of Brazil's central bank, Gustavo Franco, stepped down in favor of Francisco Lopes, the bank's

director of monetary policy. Economists say a sharp Brazilian devaluation could trigger a round of devaluations elsewhere in emerging markets, including Asia, which would severely damage the U.S. economy by crimping U.S. ex-

"Brazil's devaluation clearly shows that the global economy is not as healthy as we thought," said Chris Widness, an international economist at Chase Securities. "Thus, the market will put all emerging economies under the magnifying

Events in Latin America eclipsed Tuesday in dealers' minds as they dumped the dollar and sought safer investments amid fears that the fal-lout from Brazil's troubles could end the seven-and-a-half-year U.S. eco-Still, Mr. Gerding said he pre-

again after having begun to show signs of recovery.

The dollar rose to 113.130 yearin 4 day but fell to 1.3642 Swiss francs

Wednesday, Jan. 13

High-End Sales Power Intel's Net

Its 4th-Quarter Results Surprise Analysts — and Itself

By Mitchell Martin International Herald Tribune

NEW YORK - When Intel reported its fourthquarter profit late Tuesday, it surprised Wall Street by posting better numbers than analysts had expected, and the company even surprised itself by selling more high-end Pentium II chips than it thought it would, especially in Europe.

For the fourth quarter, Intel had net profit of \$2.06 billion, up 18.4 percent from the corresponding 1997 period. Sales rose 16.9 percent, to \$7.61 billion. Intel's shares rose \$3.4375 on Wednesday to close

"We had stronger Pentium II mainstream ac-ceptance than we thought," said Robert Eckelmann, vice president and general manager for Europe, the

Middle East and Africa. Barly last year, many analysts thought consumers were moving to relatively inexpensive computers, those costing less than \$1,000. Intel created the Celeron line of chips, a cheaper version of the Pentium II, to provide processors for this segment of the market. But strong demand for the higher-profit-margin Pen-tiums was one reason for Intel's better-than-expected fourth-quarter profit. Its profit margin also was aided

by previously amounced cost-cutting measures.

There had been fears of a slowdown in computer sales last year, but it did not materialize except in Japan. Intel, whose microprocessors are found in about 80 percent of the world's personal computers.

reported record sales in the Americas, in Asia outside Japan and in Mr. Eckelmann's territory.

opting for high-end equipment. This is a change from the situation as recently as two years ago, when Europeans tended to be slower than Americans in

adopting the most advanced computers. "The European market has really changed in the last 12 months," he said. Retailing has become much more competitive, he said, and "the Internet has spread there very dramatically; it's not just a U.S. henomenon.

He cited Germany as an example, where the 400megahertz Pentium II chip now accounts for about half of retail purchases in its category. "It is a market which has become aware of how fast the technology is changing," Mr. Eckelmann said. "They need to get something that has got a decent useful life."

Sales in Western Europe, Mr. Eckelmann said, were up 30 percent to 40 percent in the second half of

1998, compared with the last six months of the previous year. He said this reflected good demand from companies going through restructurings as well as from consumers eager to hook up to the Internet.

Intel, which has a history of offering conservative earnings outlooks, said it did not think it would match this year its unexpectedly high profit margin of 58 percent in the fourth quarter of 1998. It predicted a 1999 margin of 57 percent, which would be higher than its 54 percent for all of 1998 but below its 59 percent in 1997.

The company also said revenue in the first quarter of this year would be lower than in the fourth quarter of 1998, citing seasonal factors.

For all of last year, Intel earned \$6.07 billion, down from \$6.95 billion in 1997, on sales of \$26.27 billion, Mr. Eckelmann said European purchasers were up from \$25.07 billion.

MARKET: U.S. Shares Recover From Shock Over Brazil

Continued from Page 9

trading partner, and on Mexico, whose fiscal well-being is important cause, while it manufactures cars in to the United States. The Bolsa index Brazil, the country is also a major in Mexico closed down 4.6 percent, while the Argentine Merval index ended with a 10.37 percent loss. 'I don't see any reason why in-

right now because of the uncertainty out of the economy," said Michael Gerding, an international portfolio ver. For the rest of Latin America, there is a negative psychological ef-

very underexposed to Latin America and particularly Brazil."

big European company that did have furt, it closed at 69.35 euros (\$80.20), Brazil situation was the financial- and outlook for profitability."

down 4.65 on the day, a loss of more services industry. If Brazil is unable than 6 percent. Volkswagen is partly to pay its debts, banks and brokerage houses face losses there. shielded from the currency crisis be-Citigroup fell 3 9/16 to 52 3/16,

eighed the good.

market for the automaker. Nonethe-

less, Mr. Gerding said, the bad news

U.S. STOCKS

the Bank of Japan's intervention of manager at Founders Funds in Den- Brazilian consumers, also showed

sharp losses. In the bond market, prices of U.S. government bonds moved inversely to stocks, starting the day with a strong rise, then weakening as inthe market, the 30-year Treasury be good news. bond, closed up 1 8/32 at 101 25/32, Among the bond, closed up 1 8/32 at 101 25/32, Among the Internet stocks, Mr. reducing its yield to 5.13 percent Holland said, "there are some valuations that are absolutely bizarre and

to pay its debts, banks and brokerage

Chase Manhattan fell 2 to 71%, BankAmerica lost 1 9/16 to 65%, and Merrill Lynch fell 3 9/16 to 69 7/16. But BankBoston rose 7/16 to "I don't see any reason why in-vestors would want to be in Brazil SA, which sell their products to take advantage of market turbutake advantage of market turbulence" in Brazil.

Among the Internet-related stocks showing losses were Amazon.com, which fell 15% to 148, Excite, which lost 5% to 69%. and America Online, which fell 75% to 146.

The fact that money was flowing out of the Internet-related stocks and into more understandably valued investments was widely considered to

a and particularly Brazil."

He noted that Volkswagen AG, a point Wednesday morning, the yield crazy and out of all proportion to was just 5.07 percent.

Tom D.21 percent lucausy. At one crazy and out of all proportion to was just 5.07 percent. significant Brazilian exposure, was significant Brazilian exposure, was sharply lower Wednesday. In Frank-did show dramatic effects from the given today's inflation, interest rates Toronto trading. On Wall Street,

Nortel to Cut 8,000 Jobs as **Orders Fall**

Bloomberg News

BRAMPTON, Ontario -- Northern Telecom Ltd. said Wednesday it would cut about 8,000 employees. or 10 percent of its work force, and sell some plants as it adjusted a getting smaller orders for phone equipment and concentrated on the Internet

The company said the job cuts would occur in the next 18 to 36 months. It will be the second round of cuts at the company, known as Nortel, in four months. It cut 3,500

employees in September. Nortel and other phone-equipment makers are getting fewer big contracts as phone companies build their networks in smaller increments. The company has to develop new products faster to meet the demands of customers that are carrying more information over the Internet and private networks, or it risks losing contracts to networking leaders such as Cisco Systems Inc. "The growth in new types of sei-

vice companies is forcing phone, companies to be faster-moving, and the vendors have to respond, said Michael Neiberg, an analyst at ING Baring Furman Selz.

Northern Telecom, which uses the brand name Nortel Networks, did not specify where it expected to make the job cuts, and it said it had not determined which plants it would sell. It has 24 factories worldwide.

The cuts will be a combination of firings and transfers of employees to companies that buy plants, according to the chief executive. John

Mr. Roth said the company would shift manufacturing responsibilities from its five lines of business to a single department or division. The existing business divisions will be responsible only for sales and customer service.

Nortel also expects to concentrate more on making software that helps route data faster and may contract out much of its equipment-making to other companies.

"Getting the product made is not big challenge these days," Mr. Roth said.

Nortel expects the restructuring to reduce its operating costs by \$250 million to \$300 million a year once it is completed. It said the changes would not significantly affect financial results this year. Northern Telecom shares rose 65 cents to 80.85 Canadian dollars (\$53.42) in they were unchanged at \$53.

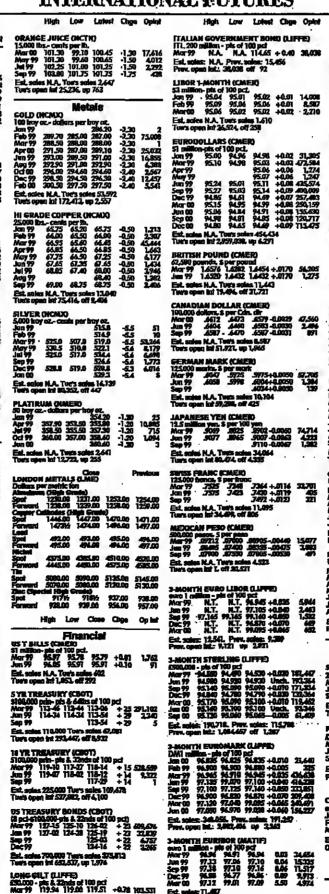
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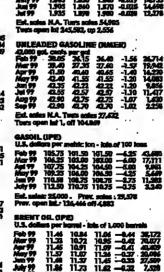
U. S. STOCK MARKET DIARY

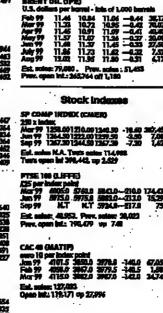
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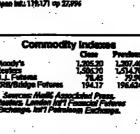
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Microsoft: No Harm'?

By Steve Lohr New York Times Service

WASHINGTON — An economist testifying for the U.S. government has conceded that there is scant evidence that consumers have been harmed by practices that are central to the Justice Department's autitrust case against Microsoft Corp.:

Instice Department's autitrust case against Microsoft Corp. In antitrust doctrine, the damage to consumers from anticompetitive conduct generally shows up in the form of higher
prices and fewer choices of products. When asked whether
consumers were being harmed by Microsoft's practices in the
Internet software market, Franklin Fisher, an economist at the
Massachusetts Institute of Technology, said, "On balance, I'd
think that the answer is no, up to this point."

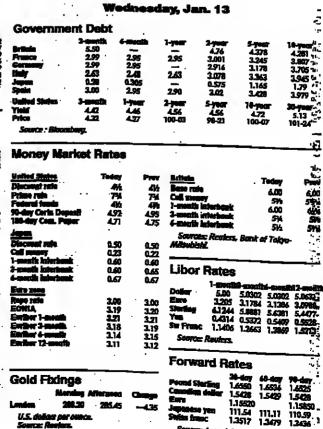
Microsoft quickly seized on the comment Tuesday by the
last government witness as support for the contention that the
Justice Department and 19 states suing the company have been
unable to show that consumers are being damaged by Mi-

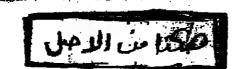
unable to show that consumers are being damaged by Microsoft's actions. William Neukom, Microsoft's senior vice president for law and corporate affairs, said the government's case had been inspired by Microsoft's competitors and baseder on the "raw speculation" that consumers might be harmed in

But the Justice Department argues that it is sound public policy to intervene early in fast-moving high-technology ndustries when the predatory acts of a possible monopolist threaten to stifle innovation and harm the consumer in the long run - as it contends is the case with Microsoft.

Later, Mr. Fisher sought to explain what some economists regard as an unanswered question in the government's case: why the price of Windows is not higher. He said Microsoft was taking its "monopoly profits" not solely from the pricing of Windows but also from increased sales of Microsoft products that ran on the Windows operating system. The Windows pricing, he said, could be explained as a discount to increase sales and thus strengthen the Microsoft monopoly.

INTEREST RATES





Sideways

 $1/p_{\rm exp}$

EUROPE

Of Ford's Interest

Compiled by One Staff From Disposche

NEW YORK - Ford Motor Co. has told Volvo AB that it would be interested in acquiring the Swedish company's car division if it were put up for sale, but no formal offer has been made, nor has Volvo expressed a desire to open formal negotiations, auto executives

Ford's president and chief executive officer, Jacques Nasser, said Tuesday that Ford was willing to talk about acquiring another automaker "at the right price, *

We've never said we wouldn't acquire anyone," Mr. Nasser said after remarks to an antomotive trade conference.
Ford has been ramored to be

talking with several anto-makers, including Bayerische Motoren Werke AG and Honda Motor Co. in addition to Volvo. All the companies have denied the speculation. BMW and Honda have said they want to remain independent. Volvo has hired an investment banker to explore the potential sale of its car husiness.

Ford, the world's secondlargest automaker, has almost \$23 billion in cash and is considered by analysts to be in a favorable position to be an acquiring company as global consolidation accelerates.

Mr. Nasser said he considered the large cash position to be an advantage because it gave the company the flexibility to increase its dividend, launch a share buyback or make acquisitions: But he said Ford was in

no hurry to spend the money. 'I don't go to sleep at night worrying about all that cash," he said.

In his remarks, Mr. Nasser spoke about transforming Ford from an old-style automaker into a consumer-focused company that knows everything about its customers, down to how many dogs they want to fit into their cars. (NYT, Remers)

Volvo Hears French Airbus Firm Sees Sales Drop BRAZIL:

Compiled by Our Staff From Disputches this year after a boom in demand for siles and Ariane space launchers.

the planes helped its posh 1998 orders to a record. Aerospatiale said it received a record 86.8 billion francs (\$15.3 billion) of orders in 1998, up from 74.7 billion francs in 1997, as its revenue Airbus, of which Aerospatiale is a

part, reported a 30 percent increase in its 1998 orders Monday. But Aerospatiale's chairman, Yves Michot, said orders for commercial jets would be "very significantly lower" in 1999 as the airmicantly lower in 19

pany, forecast Wednesday that Air-makes ATR regional turboprops, bus Industrie's orders would drop helicopters, tactical and ballistic mis-

Aerospatiale said demand for new planes could fall by half over the next few years even as sales and deliveries of airplanes strengthen. Aerospatiale said its order backlog stood at 180 hillion francs, the equivalent of three rose 10 percent, to 58 billion francs. years of work, and it expects new military orders to help offset lower in Aerospatiale after the public flot-demand for commercial planes. ation, other European commanies

half of Acrospatiale's sales.

line market went through a correc- 1,212 in 1998. He declined to es-PARIS - Aerospatiale, France's tion to its recent growth. In addition timate Aerospatiale's 1998 profit, biggest aerospace and defense com- to its role in Airbus, Aerospatiale which is expected to be lower than in 1997, when the company reported a 75 percent gain to 1.4 billion francs. flexible but less predictable ap-Mr. Michot said Aerospatiale's proach.

plan to merge with the Matra High Technology unit of the Lagardere Group of France and float a stake in the new company was on track for the first half of 1999.

While the government is expected to be left with a 48 percent share ation, other European companies Airbus orders account for about looking at partnerships with alf of Aerospatiale's sales.

Aerospatiale have said they would

SHOCK: Brazil Sets Off New Alarm Over Global Economy

Continued from Page 1

Given the importance of Latin American markets to corporate America's profitability, the latest instability risks piercing the optimism on Wall Street, where share prices. have risen to records so quickly in recent weeks that some analysts have talked of the market as a bubble waiting to burst. A sharp drop in share prices could force companies and consumers to retrench, dragging down an already-slowing economy. And any U.S. weakness could be rapidly transmitted to Europe and Asia via a depreciating dollar.

"This is to some extent a wakeup call," said Bruce Kasman, chief economist at J.P. Morgan & Co. "It is another indication that the global economy is quite fragile."

There are some grounds to be-lieve the impact of Brazil's move can be contained. For one thing, the country's long-running budgetary problems make this "probably the most well-anticipated crisis of this decade," Mr. Kasman said. And Brazil's importance to Latin Amerreasonable assurance that the country will get help from abroad.

by Treasury Secretary Robert Rubin.
"We have a strong interest in seeing Brazil carry forward with its economic reform plan, and succeed and we think they will." he said.

But the Brazilian devaluation rep-sented a blow to IMF and U.S. flight has increased in recent days. forts to defend fixed or semi-fixed

The uncertainty caused by the deefforts to defend fixed or semi-fixed exchange-rate regimes as part of

market economies.

and now they've done it again."

The strength of the U.S. economy, which grew at a rate of nearly 4 percent last year and created close to 3 million jobs, suggests it is well-placed to absorb any shocks. Low inflation in year from 8 percent in 1998. the United States and Europe also gives central bankers leeway to ease monetary policy if growth flags, as they did last antumn.

Capital Management LP, have ago for up to 5 percent growth. will lead to a systemic shock like we saw in August," said John Praveen ican compenies like Whirlpool of Credit Suisse Asset Management. Corp., which registers about 10 per-We don't have the same degree of cent of sales in the country. ica and the United States provides' leverage that existed at the time of Russia's default."

President Bill Clinton indicated as risk of a free fall in the real was great said rising share prices have encourmuch Wednesday after being briefed after Brazil eliminated the daily aged U.S. consumers and companies percent Wednesday, and recent fig- points a year for the next five years,

valuation is likely to prevent Brazil their recovery strategy for emerging from lowering interest rates. worsening the country's recession. "It's the same mistake three times Even before the move, the govern-in a row," Mr. Wyplosz said. "Asia ment was forecasting that output casting a decline of at least 4 per-cent. Brazil also is committed to cutting its budget deficit to 4.7 percent of gross domestic product this

The impact of the fall of the real could spread to neighbors like Argentina, which would have to raise nterest rates to defend its currency. Some money managers said the Mr. Fox of Fitch IBCA said Arfinancial shocks of the autumn, in- gentina's economy could register cluding the near collapse of the big zero growth this year, compared with American nedge fund Long-Term a government forecast four months

of profits for many blue-chip Amer-

Bill Martin, chief economist at ussia's default."

Phillips & Drew, the fund manageNevertheless, analysts said the ment arm of the Swiss bank UBS, trading band for the currency and to spend more than they earn. If the doubled its depreciation target for stock market falls and consumers and this year to as much as 15 percent, companies retrench, the U.S. growth The currency plunged as much as 9 rate could be slashed by 2 percentage

Currency Devalued

Continued from Page 1

exchange policy, which has now been discarded in favor of a more

"The central bank should not be concerned with eventual corrections in the exchange rate," Mr. Lopes said in Brasilia.

"We believe that the real rate of exchange is a phenomenon that should be determined by market forces and should not be an objective of the central bank."

Mr. Lopes ruled out a major devaluation, however, saying that it would merely generate greater inflation, traditionally the principal problem of the Brazilian economy. He estimated that Brazil had \$45 billion in reserves and said the goventment was willing to use that money and interest rates to defend what it considered a reasonable ex-

change rate.

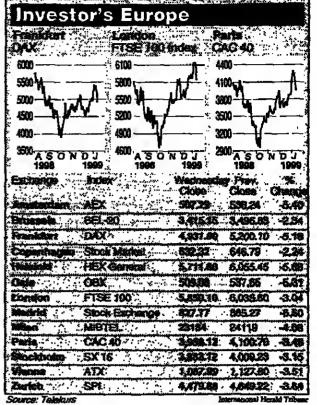
Mr. Lopes said he could draw on \$70 hillion to discourage any further speculation and defend the real, the Brazilian currency.

At a news conference in Brasilia, Mr. Cardoso described the measures announced Wednesday as a "techwas a mistake, Russia was a mistake, would contract by 1 percent this nical modification" rather than a and now they've done it again." year, while some analysts were fore fundamental shift of policy. "This does not signify a change of direction " he said.

> But that explanation fell on deaf ears. Though banks here continued to sell dollars at the top of the new band established by the govern-ment, 1.31 reals to the dollar, most currency exchanges were refusing to sell dollars at any price, anticipating that the real would weaken

even further in days to come. The crisis began late last week, when Itamar Franco, the newly sworn-in governor of Brazil's wrung a lot of speculative excess out Brazil is the United States' No. 15 second-largest state, Minas Gerais, of world markets. "I don't think this trading partner, but it is a rich source amounced a 90-day moratorium on payment of the state's \$15 billion of debts to the federal government. The action generated fears here and overseas that other states might follow suit and that Mr. Cardoso would be anable to comply with the terms of the IMF rescue package.

The Sao Paulo stock market immediately took a dramatic plunge and in less than a week has lost nearly a quarter of its value. Looking for a haven abroad, investors Tuesday sent \$1.2 billion out of the country, rekindling fears of a drain on reserves.



Very briefly:

£54.7 million (\$89.2 million).

· British Airways PLC and Japan Airlines Co. agreed to sell seats on each other's flights, link their frequent-flyer programs and share airport facilities. The accord is to extend to code-sharing, or joint operation of flights, this summer.

· BASF AG, the German chemical giant, will buy back as much as 5 percent of its stock, a stake worth about I billion enros (\$1.16 billion) at the current market price.

· Dixons Group PLC, the largest appliance retailer in Britain, reported a 5.7 percent decline in its first-half profit as con-sumers spent less on major items such as freezers and washing machines. Profit in the six months through Nov. 14 fell to

· Randstad Holding NV, a temporary staffing company based in the Netherlands, said preliminary 1998 net income rose 29 percent as sales in all its markets improved. It did not provide detailed profit figures.

• Electricite de France agreed with five unions to cut its workweek to 35 hours from 39, as called for by French law. and to add jobs. The utility plans to hire 18,000 to 20,000 people over three years, while 15,000 are expected to retire.

· Germany's cartel office is ending its investigation of the fees that Deutsche Telekom AG charges rivals for access to customer data after the former monopoly agreed to cut prices.

• British American Tobacco PLC is expected to bid for all the shares outstanding in two Australian tobacco companies, Rothmans Holdings Ltd. and W.D. & H.O. Wills Holdings Ltd. Australian regulations require such offers as a result of BAT's agreement to buy Rothmans International BV, which would give BAT partial ownership of the two com-

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Wednesday's 4 P.M. Close The 150 most traded stocks of the day, up to the closing on Wall Street.

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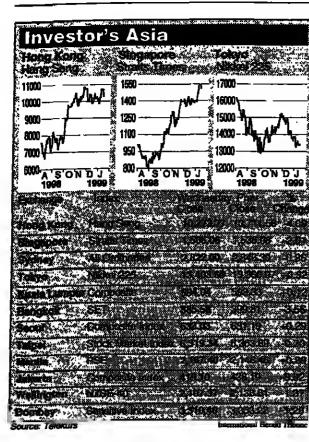
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Very briefly:

· Hyundai Group, South Korea's largest conglomerate, plans to sell its holdings in Dacom Corp., the country's second-largest phone company, and two other phone companies to help finance acquisitions in the automotive and semiconductor industries

• Asahi Breweries Ltd. appointed its vice president, Shigeo Fukuchi, to succeed Yuzo Seto as president, effective Tuesday. Mr. Seto, who had been company president since September 1992, will become chairman.

• Jaguar Cars Ltd., a British luxury carmaker owned by Ford Motor Co., agreed to buy a 60 percent stake in Jaguar that Japan offered a safer be Japan Ltd. held by Seibu Department Stores Ltd. The price the United States these days. was not disclosed. As a result, Jaguar Japan will become a "My utmost concern is hig wholly owned unit of Jaguar Cars.

• PTT Exploration & Production PCL, Thailand's state energy company, halved its planned investment and operating budget to 44.4 billion bahr (\$1.2 billion) over the next five years because of lower-than-expected domestic demand and

• Zee Telefilms Ltd., which owns one of India's most watched Hindi-language networks, said profit rose 41 percent to 143.6 million rupees (\$3.38 million) in the third quarter, bolstered by rising advertising revenue, as sales rose to 638.1 he said, that is good in the long run million rupees from 526.5 million rupees.

Bloomberg, Reuters for Japanese banks, because they

Many Still Find Optimism About Japan Premature

By Paul Blustein Washington Post Service

the new ones may be even worse.

The subject is Japan. A few months ago, its economy was suffering from two alarming symptoms — a rapidly weakening currency and abnormally low interest rates. The fall in the oncemighty yen threatened to engender a products less competitive on global mighty yen threatened to engender a products less competitive on global Strangely, in this instance there is new bout of currency crises among markets, he said, but by lowering the reason to believe that quite the op.

The rise in interest rates. new bout of currency crises among narkets, he said, but by towering use prices of imports it causes deflation posite is going on.

Start with the fact that rising Jalarge economic picture.

"We already had a big downturn plant and its bonds — in October, 10-year to intensify — and wholesale prices government securities yielded as already fell at a 10 percent annual intle as 0.7 percent annually — reflected the grip of deflationary pres-

sures on prices, wages and profits. Now those trends have reversed, with the yen and bond yields surging far above their recent lows. Indeed, a close relationship is at work: Higher bond yields have helped propel the yen neward because investments in Japan are less of a losing pro-position than they were when re-

turns were at rock bottom.

To hear government officials tell it, these moves can be viewed as evidence that Japan is emerging from its long slump. But many private analysts see the latest developments as signs that Japan's troubles are turning even more serious. As far as the rest of the world is concerned, much is riding on which view is correct.

The optimistic view came last week from Eisuke Sakakibara, a top official in the Finance Ministry, who suggested that the recent rise of the yen reflected mounting sentiment that Japan offered a safer bet than

"My utmost concern is high U.S. stock prices," he told the business daily Nihon Keizai Shimbun. "The U.S. economy already looks fairly bubble-like.

He added that such an economy. 'is bound to slow once stock prices fall," and so "the base trend will be a stronger yen" once Japan's economy strengthens.

As for the spike in interest rates,

can earn more on loans.

Whatever justification may exist for Mr. Sakakibara's views on in-WASHINGTON - So much for flated U.S. stock prices, his interthose old problems; the trouble is, pretation of events in Japan has left Miyazawa explained that the rise of of an increase in risk aversion," said some worrying that the authorities the yen had been "a little rapid."

are deluding themselves. economic consulting firm in Tokyo. Not only does the strong yen hurt Japanese exporters by making their

lion spending and tax-cut package, he said, "and there's no hope for

recovery this year." On Tuesday, the government

intervened in currency markets to deeply into debt for comfort, buy dollars. Finance Minister Kiichi in my view, this is an expre

Still, regardless of the destrability SCENE confidence in Japan's prospects?

plans to sell massive amounts of panies already under stress to pay bonds in the coming year to finance wages; so this is a serious matter."
its mounting budget deficit. Not all analysts are so gloomy.

showed some concern about the rise appear to be unsettled by rumblings in the yen as the Bank of Japan that Tokyo is going a little too

'In my view, this is an expression Robert Feldman, chief economist at Morgan Stanley Dean Witter in "Sakakibara is crazy," said Tadashi Nakamae, head of a prominent

ECONOMIC does the increase term bond prices had plunged, the not show that in- markets had held steady for cash-like holdings such as short-term government bills. "No one wants bonds,"

rate in August through December.

What drove yields upward was a in business investment in plant and furious sell-off in the bond market "wiping out" the stimulative impact of the government.

stitute of International Economics in Washington, echoes the contention of Japanese officials that high interest rates will lead to an increase in badly needed bank loans. "The banks can't lend if they don't have capital," he said, "and if they can build up profits, that should help them restore their capital, and that

should lead to more lending." But James Fiorillo, a bank analystat ING Barings in Tokyo, said the recent crash in bond prices had dealt a severe blow to the profits of Japanese banks, which depend heavily on bond trading. Higher rates probably will not greatly increase bank lending, Mr. Fiorillo said, because in the banks' current restructuringdrive, "one of the essential objectpact of the government's \$200 bilvestors' dismay at the government's going to affect the ability of comives is to reduce the size of their loan' portfolio," regardless of rates.

And that's the way it goes these Increasingly, financial markets

Not all analysts are so gloomy. days in Japan, where every silverline analysts are so gloomy. days in Japan, where every silverlining seems to have a cloud.

Chinese Firm Plans Stock Sale

Bloomberg News HONG KONG — Heilongji-ang Agriculture Co., a unit of China's largest crop producer, said Wednesday it planned to raise as much as 1.71 billion Hong Kong dollars (\$221 million) in China's first global

stock sale this year. The state-owned company plans to sell 630 million shares, or 35 percent of its total share , at between 2.16 dollars and 2.71 dollars a share, a banker arranging the sale said.

The sale plan comes amid concern over the financial health of Chinese companies after the failure of Guangdong International Trust & Investment Corp. and troubles disclosed Wednesday by another Guangdong company. "Few investors would want to touch China shares right now," a fund manager said.

Asia Frets as Currencies Strengthen

find themselves with a new headache: currencies that are strengthening too fast. Analysts say much of the money flowing into Thailand, South Korea and the Philippines is driven by genuine investor demand and op-

timism about economic recovery But the accompanying currency appreciations have raised official

concern about a potential loss of xport competitiveness. They have to decide whether they want to have the inflows, the improved confidence," said Andrew Dermot Fung, regional treas-

economist at Standard Chartered in Singapore. "This is not hot money," he said. "Nobody is going to put money into these economies on a short-term

basis thinking they'll get bang for

Reuters

As exporters fight to repair tattered buoyed by corporate restructuring balance sheets and get cash flow golamenting the collapse of their currencies, Asian governments now strength of their domestic currency find themselves with a new strength of their domestic currency find themselves with a new strength of their domestic currency for the strength of th rencies is causing increasing strain.

While their strong currencies bring down the cost of imports, this is more than offset by the fact that the last week after the central bank redollars, euros or pounds that export-ers receive for their goods are worth less in terms of the local currency. As a result, several Asian central

banks have shown disapproval of recent gains in their currencies. "The bias is clearly against further

currency strength, and, sporadically, there's evidence of intervention," said Ron Leven, head of Asian localmarkets research at J.P. Morgan. The Bank of Korea is believed to

have repeatedly bought dollars for won through state-run banks after the dollar fell to 1,148 won last week, its lowest level since December 1997. to flood the Seoul stock market, last year.

efforts and hopes of an upgrading of

about 12 percent against the dollar since it began its reversal in Oetober, did not weaken convincingly

portedly bought dollars. The Philippine central bank cut key overnight rates Tuesday, a move analysts said was an attempt to either roll back some of the peso's 16 percent rise against the dollar since

early October or stop further gains.

Indonesia is still on the other side of the coin, however, with the central bank having to sell dollars to prop up the rupiah, which has fallen sharply this week amid growing.

political and economic anxiety.
Singapore seems to be standing back as its currency stays out of the regional updraft because of soft it. But analysts say they expect the action to do little more than slow the panies have had to buy dollars lately. won's rise as foreign funds continue to pay for acquisitions they made.

Advertisement INTERNATIONAL FUNDS and by Nurd groups be: STANDARD & POOR'S MICROPAL, ± 33-1 40,28 09 09, e-mail: To receive free daily quotations for your January 13, 1999 Katy Houri: Fax (33-1) 41 43 92 12 or e-mail: funds@int.com FAIRWAY INTERNATION Stofford Fund Stofford Asia Fund Stofford Objectunity Ful Stofford Objectuni PLANTER BULLIS CROSS FLANT AND FLANT Selections 9.51 9.51 121.53 78.44 62.14 62.14 62.14 62.14 62.14 62.14 179.14 179.14 180.57 0.89 0.89 0.89 NO PRESA \$ 26.373 27 COLSENT SECURITIES ASSET MS T LTD to CSAM Positioning Pd 9. 6.07 MS COMMENT (SALE) 14 70 75 10 m CFE Cours Front 1 7.50A 7. Tel +00 252 251 251 230 d Orient Fund And an analysis of the control of th Dobbe Tom Fold Fold And Proffic Region Fel 7,14 Indice Fund 5 1,15 Indice Fund 6 1,15 Indice Fund 7 1, P.O. Ber HARZAG, HALLY, Bertunded T. Ad 129, Sins p. -411 226 Sins p T. Ad 129, Sins p. -411 226 Sins p Ferrope USC Class Ferrope USC Clas d CEST SERVINS A POUNCE of CEST PROPRISON of CEST INCOME. GEST INCOME. of CEST INCOME. of CEST INCOME. of CEST AMORE. of CEST AMORE. of CEST AMORE. of CEST AMORE. of CEST CONTROL OF CONTROL of CEST CONTROL OF CONTROL of CEST CONTROL of CEST CONTROL of CEST CEST CEST CONTROL of CEST CEST CEST CEST of CEST CEST CEST of CEST CEST CEST of CEST CEST CEST of CES The state of the s d UNZ Liquidity Food SF Allo FRIVATE BANK LTD d Asha Growth Convert SFR d Asha Growth Convert USS d B - Food d E - Food d J - Food d M - Food in Zecks (Others Follow) 202 BEC UNIVERSAL PURD of Environ ECU C of For Earl USD B of For Earl USD C of Jopen JPY C of Japon JPY C of Model: E4 Sek C

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real-estate fund.

"We're buying land at distressed

prices," Mr. Winer said of the new

Among the holdings, for example, is San Francisco-based Catellus De-

velopment Corp., which began life in 1984 as the real-estate arm of the

Similarly, St. Joe Co., set up in 1907 by a member of the Du Pont family

who had been ostracized for leaving

his wife to marry his cousin, is the largest private landholder in Florida,

with 1 million acres, mainly in the

Florida Panhandle, and a spectacular

balance sheet. It operates some properties, including office buildings, sugar cane plantations and timberlands.

But much of its real estate is just

Another low-profile holding, Forest City Enterprises Inc., is based in Cleveland but builds, owns and

manages \$3 billion in office build-

ings, hotels and shopping centers in

has \$55 million in cash to play with.
"By our calculations," Mr. Winer said, "the stock is trading at a 25

percent to 30 percent discount to the

and has moved it from being a de-

veloper of scattered single-family

homes to being a builder of "active-

adult" communities for seniors -

which certainly sounds like a growth

discount to the value of the land," Mr.

S 1120.44 ERSEYS LJTD

"We figure we are buying this

sitting there, ready to be developed.

use projects in California.

vestment vehicle — a trust that is have always owned a disproportion-

The problem is choosing. There are many bargains out there. But one sector that screams for attention is real

In 1998 the 101 U.S. mutual funds that specialize in real estate investment trusts, or REITs, lost an average an annual average of just 10.5 percent, compared with 30.9 percent for the Standard & Poor's 500-stock index.

.Vornado Realty Trust has declined 22 percent in the past year, after taking a 5 percent dividend into account. And that's typical.

ing, its profits have been rising — up 58, percent in the past 12 months, compared with a year earlier. So are

REITs ripe for bargain hunters?
One of the best value players in lew York, Marty Whitman, says no. But let's be clear. He is down on REITs — but high on real estate. How investments. is that? Well, not all real-estate stocks

But are the are REITs, and Mr. Whitman and his partner, Michael Winer, launched a fixed in September that gives REITs conscious of buying assets at a disshort shrift while concentrating on regular corporations that own land, develop properties or manage office

five new international equity funds, all

EI Investments Co. of the United to seek stocks in the informa-States will buy about half of Asset tion-technology and banking indus-Kprea Capital Management Co., be- tries and those of companies whose coming the first foreign institution to earnings are protected from currency. control a South Korean mutual-fund turmoil, according to a survey of anacompany. International Finance lysts.

Advertisement

MERKEL LYNCH BANK (SUISSE) SA

allowed to avoid taxes by passing ate share of real-estate stocks. through nearly every dollar of its profit to shareholders. While REITs prices," Mr. Winer said of the provide a great way for small investors to get annual income from real estate, they also present a problem: Where do they get the capital to grow

if they are constantly dishing out earnings to the public?

In the past, the answer has been to owns 700,000 acres zoned for mixedof 15.7 percent, according to CDA/Wiesenberger, a fund-tracking figm in Rockville, Maryland. Over the and 1997, raising nearly \$800 million. past three years, REITs have returned an annual average of just 10.5 percent, price of your shares is falling, so many REITs are stuck. If they cannot float equity, the only way they can grow is by borrowing — and, in an uncertain real estate market, too much debt is

Most of the companies owned by But, while Vornado's stock is fall- the Whitman-Winer fund, Third Avenue Real Estate Vaine (telephone number in the United States 1-800-443-1021), take the conventional corporate form. As a result, they do not pay out all their earnings — in some cases, none of their earnings — in dividends but retain them for new

But are there deals out there? Emphatically, yes, Mr. Winer says. Mr. Whitman adds that if you are "very count," real estate is an easy asset to evaluate — easier, at any rate, than the steel companies that he has been examining for his other Third Avenue A REIT is a specific kind of in-funds (value and small-cap), which

Boston Globe, Bloomberg, Reuters

For information please contact,
Kety Houri; Fax (33-1) 41 43 92 12 or - walk fundation.

A Top 10 List Of Value Stocks

Washington Post Service WASHINGTON - Al Frank editor of the Prudent Speculator

(U.S. telephone number 1-800-258-7786), a value-oriented newsletter with a spectacular stock-picking record, has come up with a new list: 10 "favorite stocks for 1999 and beyond."

They are Allon Health & Beauty Care Inc., a micro-cap distributor of beauty products; Digi International Inc., a datacommunications company with a price/earnings ratio of 12; Gen-esis Health Ventures Inc., geriatric care, a P/E of 7; Golden State Bancorp Inc.; Input/Output Inc., seismic data for oil and gas, a P/E of 9; Landry's Seafood Restaurants Inc. a P/E of 7; LTV Corp., steel; SIFCO Industries Inc., jet engines, a P/E of 8; Singer Co., sewing machines, and Vicon Industries Inc., closed-cir-

cuit TV, with a P/E of 9.

— JAMES K. GLASSMAN

The fund does own a few REITs that Mr. Winer and Mr. Whitman say are well-positioned and especially un-21 states. It may look like a REIT, but derpriced: Koger Equity Inc., with a it's actually a corporation that pays a dividend yield of 7.3 percent, New dividend yield of just 0.6 percent and York-based Aegis Realty Inc., yielding 9.5 percent, and United Investors Realty Trust, which specializes in shopping centers and carries a yield of

11.7 percent. value of its operating properties."

The top Third Avenue asset, at 6.9 percent of the fund's portfolio, is Avatar Holdings Inc., a Florida-based next, but a high yield is often a sign of concern that has 56,000 acres of land a low price. You needn't give up approved for development. Leon completely on REITs, though. There Levy, a highly regarded Wall Street are signs that they may be rebound-financier, is chairman of the company ing. Alpine U.S. Real Estate Equity Fund (1-888-785-5578) has soared 31 percent in the past three mouths, and Cohen & Steers Realty Shares (1-212-832-3232), the largest of the REIT funds, is up 9 percent over the same period. But, like nearly all their colleagues, they are down about 15

company at a 60 percent to 70 percent percent for the past 12 months. Differentiating among REITs is a good idea, but most investors have a hard time analyzing them. Whitman said, but he warned that it might be next year before Avatar E-mail: jkglassman@aol.com

Yahoo! Earnings? So What?

By Barnaby J. Feder New York Times Service

NEW YORK — A rarity among Internet companies, Yahoo! Inc. reports actual earnings — though such things don't seem to matter in this market.

Yahoo!, a bellwether Internet stock, released earnings Tuesday confirming that it had sur-passed Wall Street's financial expectations.

But did it matter? The recent surge in share prices for Internet companies has analysts wondering whether financial performance is at all relevant to many of the small investors

jumping into that market sector.

"I don't know how people are getting to these valuations," said Paul Noglows, an analyst at Hambrecht & Quist in San Francisco. "What's going on has nothing to do with fundamentals, good or bad."

Mr. Noglows considers Yahoo! - which operates a "gateway" for World Wide Web surfers seeking information; electronic mail, shopping and other Internet services - one of the stars of his sector. He says he likes its strategy and management.

In normal times, an announcement such as the one the company made Tuesday might lead him to urge investors to buy more shares. Yahoo!, based in Santa Clara, California, said its earnings in the fourth quarter of 1998 jumped to \$25.04 million, excluding one-time charges, more than 10 times the \$1.91 million it made a year earlier and well ahead of

analysts' forecasts. Yahoo!'s revenue of \$76.4 million was nearly triple the level of a year earlier and 40 percent ahead of its thirdquarter sales. In addition, the ompany said it would split its stock 2 for 1.

Yaboo! also said its number of registered users had grown to 35 million from 20 million a year earlier, that the number of its adventisers had risen to 2,225 from 1,700 and that those advertisers were spending more and signing

longer contracts. But Mr. Noglows is one of six analysts - about a quarter of those following Yahoo! who rate the stock as a "hold" rather than a "buy" because these are anything but normal times for the Internet companies that trade publicly. Small investors

mesmerized by the rapid

growth of Internet use and commerce have sent Internet stocks rocketing to previously unimaginable heights in recent weeks. Yahoo!'s shares rose more than \$72, or 21 percent, on Monday alone.

Much of the fael for the growth appears to have come from small investors who trade rapidly, not the kind of long-term buyer willing to wait for years for Yahoo! or other Internet pioneers to deliver the huge profits implicit in today's valuations.

Yahoo is on more solid ground than most Internet start-ups. It has never underperformed analysts' expectations in the three years since it went public.

But can it really be worth more than Boeing Co., the world's largest aerospace company, or more than twice the value of Caterpillar Inc., the multinational heavy-equipment maker, as current market capitalizations suggest?

On Tuesday, short-term traders paused to On Thesday, short-term traders patised to look at what they had wrought; some headed, at least temporarily, for the exits. Yahoo!'s shares closed at \$402, down \$13.375, in Nasdaq trading. Early Wednesday, its slide steepened, with the stock dropping \$50.75 to \$351.25.

Other Internet stocks also slumped in early

Wednesday trading, including Amazon.com, the Internet bookseller, and Netscape Communications Corp., the Internet browser pi-oneer. Daniel King, an analyst at LaSalle Street Securities in Chicago, said he rated Yahoo! a long-term buy but would hesitate to pay current prices.

January 1, 1999

The Shareholders of Haussmann Holdings N.V. Change in Method of Net Asset Value Calculation

The decision has been taken to revise the method by which the Fund's net asset value is calculated for purposes of fixing the price to be used for offers of the Fund's shares, with effect from January 1, 1999. In light of current market conditions, it has been determined to be in the best interests of the Fund to both suspend the imposition of any premium (which has effectively been the case for some time now), and to no longer reflect the "ask" premiums, if any, attributable to the shares of other funds in the Fund's portfolio.

Notwithstanding the foregoing, in order not to penalize existing shareholders of the Pund, the calculation of the Fund's net asset value will henceforth reflect the "bid" premiums or discounts, if any, attributable to the Fund's invest-ments. The effect of the foregoing is to simplify the calcula-tion and presentation of the Fund's net asset value and elim-inate the "spread" between net asset value, bid and asked prices. Henceforth, there will only be one published net asset value which will also be the price used for both offers and repurchases of the Fund's shares.

Very briefly:

South African investors are likely

• Fidelity Investments will begin Corp., the World Bank's private inselling three new U.S. stock funds and vestment arm, will acquire a 10 percent stake. The sales will bolster Asset aimed at brokers and other financial Korea's capital by 4 billion won to a intermediaries, through its Fidelity's total of 7 billion won (\$6 million).

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Agassi Routs Korda

TENNIS Petr Korda discovered how difficult it may be to defend his Australian Open title when he was thumped, 6-2, 6-1, by Andre Agassi in the first round of the Colonial Classic on Wednesday in Mel-

Playing in a blostery wind, Korda looked flat and showed only a few flashes of the form that took him to his only Grand Slam title and the verge of claiming the No. 1 ranking a year ago.

In other matches Wednesday, Thomas Enqvist beat Goran Ivan-isevic, 7-6 (7-4), 7-6 (7-5); the de-fending champion Mark Philip poussis rallied to overcome Tim Henman, 2-6, 6-4, 6-4; and Michael Chang outlasted Yevgeni Kafel-nikov, 6-7 (5-7), 6-3, 7-5. (AP)

 Steffi Graf and Venos Williams set up a quarterfinal power struggle at the Adidas International tennis tournament with contrasting second-round victories Wednesday

Williams was in top touch beating Amanda Coetzer of South Africa, 7-6 (7-5), 6-2, while Graf struggled to a 6-2, 3-6, 7-5 victory over Serena Williams in an exciting match that lasted almost 21/2 hours. World Nn.1 Lindsay Davenport beat Mary Joe Fernandez, 6-4, 7-6 (8-6), and will play Patty Schnyder in the quarterfinals.

A Century for Gilchrist

CRICKET Adam Gilchrist pounded a stunning century to guide Australia to a record-breaking victory over Sri Lanka in their tri-nations limited-overs match Wednesday in Sydney.

Sri Lanka made 259 for nine off its 50 overs, setting Australia a re-cord total to win. Gilchrist made a career-best 131 as Australia scored 260 for the loss of two wickets with 23 balls to spare, and his innings was the fourth best hy an Australian

Gilchrist, who stands in for Ian Healy as Australia's limited overs wicketkeeper, put on a I51-run opening stand with Mark Waugh, who fell for 63 in the 26th over.

His fourth limited-overs century came when he swept the 98th ball he faced for six.

WORLD ROUNDUP Jordan's Exit Shifts **NBA Power Balance**

Bulls' Rebuilding Will Clear Court For Other Teams and Emerging Stars

By Mike Wise New York Times Service

DEERFIELD, Illinois - Out of respect, Michael Jordan first told Ron Harper and Scottie Pippen, his two closest teammates, that he was planning to retire. Harper and Pippen did not argue or plead with Jordan to stay. They simply sat and reminisced, the way they would in the workout room of Jordan's suburban Chicago home after every

ehampionship season.

On Wednesday, those stories — along with the scintillating highlights. the six banners and his growing legend as the finest basketball player ever — were committed to memory when Jordan formally announced be was leav-

ing the NBA.

'He went on top,' said B.J. Armstrong, one of several players to work out at the Berto Center, the team's training facility. "He made the last shot, he made the right plays. He's had a fabulous career, and everything you could ever ask of an athlete he's done. He has a chance to leave and this was a chance."

If Jordan's retirement significantly changes the way the Bulls do business, it is also a league-altering decision that swings the pendulum of power in the National Basketball Association away from Chicago and toward any other playoff team in desperate need of a title.

The Utah Jazz, which took the Bulls to six games in the finals the past two seasons, and the Indiana Pacers, who

seasons, and the Indiana Pacers, who stretched Chicago to seven games in the Eastern Conference finals, will be the two early season favorites along with Los Angeles, Seattle, New York and Miami. "It's wide open for the rest of us," said Chris Childs, the New York Knicks' point guard. "I think our rivalry against Miami will mean even more. They have been talking about rivalries, like people say the Lakers and Boston in the past. With teams like ourselves, Miami and Indiana, hopefully we can give the fans Indiana, hopefully we can give the fans something like they had when Chicago and Detroit had their rivalry."

The oext order of business in the NBA is finding a player to elevate the game to a pinnacle somewhere not too far below

involve Grant Hill, Shaquille O'Neal, Kobe Bryant and Kevin Garnett, though as Hill said last year, "Following Mike is like following Muhammad Ali. We're all Larry Hulmes. And that's not bad. It's just the way it is."

"Hopefully, we have some teams and some guys who can collectively carry the NBA." said Allan Houston, the Knicks shooting guard. "I don't think anyone is going to single-handedly do what he's done from an individual standpoint. At the same time, I have enough confidence in the guys we have

tn carry this league."

According to one Bulls official,

Jordan kept the franchise waiting for his decision until the last possible minute.

Following Mike is like following Muhammad Ali. We're all Larry Holmes. And that's not bad. It's just the way it is.'

They were not stunned. Between reports of exotic golf outings and that his workout room had been converted into a cigar-smoking room at hume, many in the organization sensed he was leaning

toward retirement.

Of the 14 players who showed up for an informal workout Tuesday afternoon, none of them held Jordan's decision against him. His retirement frees up the Bulls to pursue other free agents and also allows his teammates to seek employment with other teams through their agents, should the franchise elect

not to re-sign them.

Though the Bulls have only four players under contract and appear headed for a massive rebuilding, the chances of Pippen's return are good based on the fact that the Bulls can offer the All-Star fact that the Bulls can offer the All-Star swingman a more lucrative pact than any other team - based no the rules of the new collective bargaining agreement. But Dennis Rodman's return is in



Jordan announcing his retirement Wednesday from NBA basketball.

JORDAN: Farewell to Bulls and the NBA

Continued from Page 1

history - 31.5 points.

Around the league and throughout the city that worships him, the news was not surprising — but it still stung.
"Losers! Losers! Losers!" said 32-

year-old Derrick Watt, a Bolls' fan leav-ing Jordan's restaurant in central Chica-'Withoot Michael, they'll be in the asement of their division.

News of Jordan's departure was felt far outside the world of sports. The stock of the sneaker giant Nike lost more than \$2 a share Tuesday on fears that the company's most effective pitchman was leaving the game although it rebounded somewhat Wednesday trading at \$42.50, up 50 cents, in the late afternoon.

evelbreiste, who makes an estimated \$42 million to \$47 million a year from endorsements, has deals with about a dozen brands, ranging from Gatorade sports drinks and Ball Park Franks to Hanes underwear, Rayovac batteries, Bijan cologne and MCI WorldCom phone service.

dicted that Jordan's incredible popularity and business savvy would transcend.

his departure. 'Just as Michael broke the mold within the league, he can do it for the retired athlete as well," said Ryan Schinman, a marketing executive at Worldwide Entertainment & Sports in New York.

Some fans and colleagues were not ready to say good-bye again. Larry Bird, Jordan's Dream Team teammate and television commercial

sidekick who retired and then returned as coach of the Indiana Pacers, jokingly suggested that the NBA had oot seen the last of His Airness. "We want to wish him and his family

well," Bird said, "and we look forward to seeing him sometime in late March when he makes his return again in Mar-

ket Square Arena.' That is where Jordan made his comeback four years ago.

■ Highest Accolades Worldwide

From Warsaw to Rome, Sydney to Santiago, Michael Jordan was given the kind of Page One coverage Wednesday that American sports seldom receive outside North America, The Associated Press reported.

In a world in which soccer dwarfs the NBA, Jordan received the highest pos-sible accolade: he was likened to the legendary soccer star Pele. For a comparable renrement, you

"have to go a long time back to when Pele was the God of soccer," said the general manager of the Australian Na-tional Basketball League, Bill Palmer.
- Some papers likened the news of his rethement to the death of a close family member. One suggested Americans would rather keep Jordan and see President Bill Clinton leave.

'America would willingly take Clinton's retirement in exchange for Jordan's," said Rome's La Repubblica newspaper.
The Londoo tabloid The Sun said:

ment will even drive Bill Clinton's sex scandals off America's front pages. If you thought boxer Mike Tyson, football legend Pele or racing driver Ayrton Senna were the most recognized names in the world - forget it."

Several papers compared Jordan to other universally known American exports like Coca-Cola or Mickey

"His popularity is unprecedented and without limit," said Italy's Gazzetta dello Sport in a front-page editorial. "He's way better known than basketball itself because he goes beyond its limits: Jordan is myth, poetry.

Jordan's retirement also made waves in China, where the NBA and Jordan have a large following. A survey of 1,000 people in nine Chinese cities conducted in May named Jordan as the second-most widely known American after Thomas Edison.

Homer #70 Earns Fan \$2.7 Million

McGwire's Record Ball Sold in New York Auction

By Douglas Martin

NEW YORK -... The bidding started at \$400,000 and shot upward to \$1.2 million. There was another pause at \$1.7 million and then the bidding rolled ahead to \$2.6 million. A long pause. A gasp or two. Then an anonymous voice on the telephone offered \$2.7 million.

Irwin Sternberg, a necktie manufac-turer, gave up. "I thought the person at the other end of the line might not have

a bottom line," he said.

A baseball of the kind available fig. \$10 in any sporting goods store had alst sold for \$3,005,000, when the commission of the auction house. Guern-sey's, was added in. The baseball was the 70th home run hit by Mark McGwire and was described by Arlan Ettinger, the auction house owner, as "without doubt, the most significant baseball in the world today."

There was no doubt about that on Tuesday night. The ball fetched a price that was 23 times the highest amount ever before paid for a baseball (\$126,500) — the one Babe Ruth hit for the first home run in Yankee Stadium.

The same anonymous caller who purchased the McGwire ball also bought the final home run hit by Sammy Sosa. No. 66, for \$150,000. The purchases marked one of the

most spectacular baseball seasons en , as McGwire and Sosa engaged in a jubilantly good-natured race.

The previous high price for sports memorabilia was \$640,000 paid for a Honus Wagner baseball card.

Philip Ozersky, who earns \$30,000 as a medical researcher, sat expressionless as he watched the ball he caught on Sept. 27 in Busch Stadium in St. Louis make him a millionaire, as the numbers rolled ever upward. His arm remained snuggled around his girlfriend, Amanda Abbott, who works in the same laboratory at Washington University. His family sat around him, sometimes gig-gling but mainly staring intently.

Ozersky insisted there would be no changes in his life. But he does expect that more people he doesn't know will calaim to be his friend.

****He'll scatte in in a couple of weeks he said. "I'm ready to get back to Sz.

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Louis to get on with my normal life." He turned down \$1 millioo immediately after catching the ball in September, and his lawyers floated rumors that

he had been offered \$2 million. Did the final price exceed Ozersky's yeah," Abbott was less restrained. "It's beyond my wildest dreams." she said. Ozersky will likely face a federal tax thic

of nearly 40 percent on his windfall. Ettinger said that he had not recognized the name of the winning bidder when he registered, but that others in his company had. "He's apparently well knnwn," he said. He expected the pur-

chaser would identify himself soon. Other sale items included Mickey Mantle's 500th home run ball and a number of Babe Ruth home runs balls There were 12 of the original architectural drawings for Yankee Stadium, the ball Hank Aaron hit for his law homer, No. 755, the career record, ball antographed by Cy Young and the 1927 Philadelphia Athletics, including Ty Cobb, and a ball antographed by both Ruth and Roger Maris, the previous single-season home run champion, with 61 for the Yankees in 1961.

The Challenge of Life After Basketball By George Vecsey

New York Times Service

NEW YORK - Dving isn't bard: it's Brown is saying about the termination of Michael Jordan's basketball life in the NBA.

Brown has imagined a fake-out, saying, "If he changes his mind, that's cool." Jordan did return once, after his mysterious sabbatical as a minor league baseball player. But Brown, who retired from football at 29, is in favor of Jordan's retirement at nearly 36. "It's wise, it's impactful," Brown said Tues-Ynu can never top yourself. When it becomes the old you against the young you, the old you always loses."

If the old Michael Jordan wanted, he could still be the greatest player when basketball resumes in early February. Jordan has lived for every new star,

every criticism, every opportunity. Everybody has a Jordan memory, and I come up with the 1992 finals, when the Trailhlazers ceded the 3-point line to Jordan, who never thought of himself as

is, he made 6 of 9 in the first half, shaking his head as if insulted by being given so much space. Jordan loved those but some of them wind up like Mike trick is for Jordan to find something meaningful to do with the rest of his life. Brown faced that in 1965, after being the greatest running back in professional football for nine seasons.

Blanton Collier let me run outside and let me pass," Brown said, referring to his coach with the Cleveland Browns. I did everything I wanted, but I was a gladiator. The owners had the money and the power. I was just passing through." 'I saw athletes whn stayed too long,"

Brown said, "but I didn't want to become a second-stringer, a role player. I wanted to do something high-profile. I had my degree in four years from Syracuse, and I felt like being an entrepreneur.'

Brown never made Jordanian money as an athlete - he made his bundle from action movies. Over the years, he has become a spokesman for African-American ownership, and claims be has been responsible for thousands of jobs.

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'The athletes should take the buil by

the homs and have more control over their lives," he said. "Otherwise, they are fooled into thinking they are important."

Jordan has often insisted that he makes his own contribution by earning a fortune through endorsements. He has given \$1 million to the University of North Carolina, but he has also taken criticism for his association with Nike, because of its plants in poor countries. Up to now, Jordan has deflected much of the expectations with the reminder that he was merely an athlete, getting ready for the

next game. It was F. Scott Fitzgerald who wrote, There are no second acts in American lives," a morbid thought for an athlete retiring in his prime. It sounds as if Jim Brown, and many others, will be eagerly monitoring Michael Jordan's attempt to find a meaningful second act.

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SPORTS

Avalanche Rolls Over Blackhawks

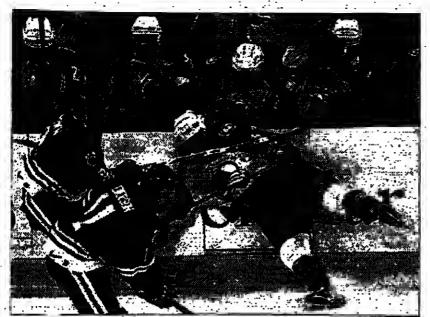
Peter Forsberg scored a shorthanded coal and an assist to lead the Colorado Avalanche to a 4-I victory over Chicago, keeping the Blackhawks winless in

It was Forsberg's 12th goal of the year. Joe Sakic had a goal and an assist, and Claude Lemieux added his 17th

NHL ROUNDUP

goal of the season for the host Avalanche, who had Patrick Roy's services as goaltender Tuesday for the first time since Dec. 26. Roy had 23 saves on the

Montreal's goaltender, Jeff Hackett, had his sevengame winning streak snapped as five Detroit players scored in the Red Wings' victory over the visiting Canadiens. Vy-acheslav Kozlov, Sergei Fedorov, Nick-las Lidstrom, Jamie Macoun and Dong Brown scored for the resurgent Red. Wings. The Canadiens took a I-0 lead wings. The Canadiens took a 1-0 lead



Brad Brown of the Blackbawks, left, dumping Colorado's Chris Drury as Nelson Emerson skates by. Brown got a high-sticking penalty.

2, OBors 2 Ryan Smith scored with 55 seconds left in regulation to give Edmonton a tie with visiting Dallas. A deflection off Smith of a shot by Janne Niinimaa gave Smith his fourth goal of the year, just 10 seconds after the Edmonton goalie, Bob Essensa, went to the bench so the Oilers could add an extra skater. Jere Lehtinen and Pat Verbeek scored goals for Dallas.

scored his 14th goal with 8:08 remaining to cap a three-goal comeback as Toronto handed host Tampa Bay its sixth straight loss and returned to first place in the Northeast Division. The Lightning had a 3-1 lead before Mike Johnson's second goal midway through the second period, and Yannick Tremblay's goal early in the third period tied the score.

IOC Scandal Could Result in Ousters

The Associated Press

SALT LAKE CITY - The International Olympic Committee says it has enough evidence to complete its bribery investigation and will recommend expelling some members and changing the

site-selection process.

Robert Garff, chairman of the Salt Lake Organizing Committee, said that body's ethics panel had identified eight IOC members who could be implicated. Anita DeFrantz, a member of the Salt Lake committee as well as an IOC executive, has said as many as a dozen

IOC members could be ousted. The report by the six-member IOC commission investigating bribery alleg-ations in Salt Lake City's winning bid for the 2002 Winter Games is scheduled to be published Jan. 24 after a meeting of the IOC executive board in Lausanne, Switzerland.

"The commission has identified imroper behavior by certain IOC memers with respect to the Salt Lake City bid," the IOC said through its newly hired New York public relations firm, Hill & Knowlton.

The IOC sent letters this week to members implicated in the investiga-tion, demanding an explanation. The IOC president, Juan Antonio Samaranch, has said guilty members would be expelled or asked to resign. The report also will include recommended changes in the bidding for Olympie

Games and the IOC election process.

DeFrantz, speaking Wednesday on NBC's "Today" program, dismissed talk that the Olympics could be moved elsewhere or canceled.

"The Games will be in Salt Lake City," DeFrantz said. "The people there have been working very hard. The venues are in place. Things are moving

ICEHOCKEY

forward. The IOC is very satisfied with the progress in Salt Lake City. The athletes of the world deserve to have Salt Lake City as the site."

But a Swiss IOC member, Marc Hodler, reiterated his concern that Salt Lake City would not be able to raise

enough money to stage the Games.
'If the budget isn't balanced, one could envisage transferring to Calgary or Lake Placid the sports for which installations haven't been built in Sait Lake," Hodler told Swiss radio. "Maybe ski jumping, speedskating, cross-country skiing and the biathloo. That's not a

proposal, but a working hypothesis. Meanwhile, in Australia, an IOC member said Wednesday that the organization would examine claims by a senior member of the committee that handled Sydney's successful bid for the 2000 Summer Games that he was approached to offer bribes.

The Australian IOC member, Kevan Gosper, said he spoke to the Sydney official, Brace Baird, now a member of the federal Parliament, about the claims.
"He's advised me of two conversations he had at the time of the Sydney

bid, which may have been interpreted to be seeking some sort of opportunity." Gosper told Australian Broadcasting

Baird said he gave a statement to Gosper claiming that one IOC member and an intermediary made approaches seeking cash in exchange for votes for Sydney's bid, according to the radio report. Baird also told Australian television that he was approached by someone claiming to represent African delegates.

■ Olympians Say Bribes Common

The Salt Lake City bribery scandal is just an example of the way business is

done in the Olympics, two of the greatest heroes of the Games said. The Associated Press reported from New

Mark Spitz and Carl Lewis, who each won a record nine Olympic gold medals, said Tuesday at a news conference that corruption was rampant in the bidding process for cities to stage the Summer and Winter Games.

"I don't think anyone believes that this is the first time this has happened." said Lewis, a sprint and long-jump champion from 1984 through 1996. "I don't think anyone believes that this has

not gone on before. "I don't know of any organization that has more power or makes more money that is less regulated in the entire world than the IOC.

Spitz, the winner of an unmatched seveo swimming golds in 1972, said work as a consultant for the unsuccessful bid by Stockholm for the 2004 Summer Games showed him the darker side of the Olympics.

"We communicated with the 100 or so delegates and there was this definite undertow in all the conversations, and that was, 'What benefit is it going to be to my country?' which is more or less What benefit is it going to be to me if in effect I vote for this eny,

The bribery scandal under investig-ation in Salt Lake City therefore was

inevitable, he said. Lewis said the Olympics would survive the scandal because the athletes

remain the stars. "When it is said and done, the athletes got out there and performed and that's what we remember about the Olympics," be said. "Not the organization or other people."

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WOMEN

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CRICKET

Cunning Coaching to Take NFL Stage

By Thomas George New York Times Service

MEW YORK - Football players are itold to make one block at a time, one roatch, one play, one practice, one game. Never look too far ahead. Stay in the moment. All eyes on today. Their coaches preach that but do the

Lopposite. They always look for what

When the New York Jets fly to Denafter and the Atlanta Falcons travel to onship games Sunday, their meetings will be their first eye-to-eye encounters a of this season. But despite the coaxing to not look ahead, the players in both agames have been thinking about these opponents for the past several weeks. \$0, too, have the coaches, who have ...implored their scouts to study and report rtheir opponent's strengths and weak-

in 'You'd have to be living in space to -not know about what Minnesota has been idoing," said Falcons linebacker Jessie Tuggle. "You notice their guys, especially their impact players. All season clong they've been on the highlights. They

were a 15-1 team. You notice that." Even when the Dolphins were tripping Dec. 21, some of the Bronous' thoughts, ant, sowell.

when the Broncos kick returner Vaughn Hebron said: "This was a game where Miami had everything to gain, the play-offs and all, and we've already clinched our spot. They had more fire and more desire and they won. But that's OK. We'll probably see them again, in the playoffs, and we're not worried. You know the team we see coming? It's the Jets. Now, that's the team to watch. The Jets are playing tough. They're building

I think somewhere along the line, we're going to have to deal with the Jets." Well, Denver destroyed Miami, 38-3, Saturday in playoff action at Mile High

Next it's the Jets vs. Denver for the American Football Conference title and a trip to Super Bowl XXXIII. Hebron

certainly has vision. The Atlanta-Minnesota matchup will decide the National Football Conference representative in the Super Bowl. Like the AFC matchup, it features teams that gained byes during the playoffs'

first round. The Atlanta coaches probably spent half of their playoff bye week preparing for the Oreen Bay-San Francisco wildcard winner and then half preparing for Minnesota, especially since they knew Denver in the regular season in Miami on the 49ers; a Falcone divisional oppon-

teams used to prepare for the 1985 Chicago Bears and for the 46 defense, the creation of Buddy Ryan, the Bears'

defensive coordinator. "You would go into training camp preparing for that defense," Robiskie said. "Even if you were playing the Bears in November or December, you would begin breaking it down in June in training camp because it was so new and so complex. And because it was so good."

something. They're getting confidence. Mike Shanahan, the Denver head coach, is a guru of offense today on the level of what Ryan was on defense.

Shanahan made no secret even before the Jets beat Jacksonville that he was studying the Jets. He was already looking for that edge in homework, that

Because of what Denver has done won the last Super Bowl, and this year ripped teams offensively with big plays and the terrific Terrell Davis running it would not be surprising if the Jets have been studying Denver in some fashion since training camp.

"If you want to get to the Super Bowl, and you know you probably have to go through Denver in the AFC to get there, you are looking for any edge," Robiskie said.

In most instances among these fiperform malists last four games, scouts have Terry Robiskie, the Washington Red- been watching closely, preparing for It was late on that Monday night skins receivers coach, remembers how what we will see Sunday.

SCOREBOARD

ATLANTIC DIVISION

W. L. T. PIS. E.F. GA.

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Yearge Bay 2 0 8—3
Fixed Period: TB-Clork 19 (Lectavalles, Kuthra). 2, T-Johrson 14 (D.King, Carte) (op). 3, TB-, McCarthy 4 (Tacker, Kelty) 4, TB-Hogue 3 (Swobods, Gration) (op). Second Period: T-Johrson 15 (Warrheel) Third Period: T-Teemblay 2 (Smith. Sundin) 7, T-Sundin 14 (D.King, Yeshkewich) (op). Starts on goal: T- 7-11-6—24. TB- 9-10-10—29, Godfles: T-Joseph. TB-Ranford, Mentreel MORTHEAST DIVISION
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22 13 5 49 124 91
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Chabot, D-Osgood,

First Period: C-Zhorenov 9 (Gilmour, Ernesson) (pp). Second Period: Co-Lersieux 17 (Kamerssky, Deadmonth) 3, Co-Forthery 12 (Sedic) (ph). Third Pariod: Co-Sukic 16 (Felgiak, Fensberg) 5, Co-Druy 10 (Lafebvre, Donoum) Shots so goat: C. 7-10-7-24, Co-W L T PE OF GA

CALVIN AND HOBBES

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Modono) (pp.), 2. D-Verbeek 10 (Hrkoc, Kome) Second Period: E-Bernnek 13 (Gueria, Reirden), Talrd Period: E-Sonyth 4 (Minhmos, Pot) Overfime: None, Shots on goot: D. 11-3-6-3-20, E- 7-2-8-3-20, Cantica, D-Motor: E-Essen

BASKETBALL U.S. COLLEGE SCORES

TUESDAY RESULTS

No.1, Comment. (14-4) def., Notre Donne 101-70.
No. 6. Mentucky (14-0) lost to Tennessee 47-46.
dis. 12. Many (23-1) def., No. 21 deies 52. (13-0) 71-68.
No. 18. Syructure (11-0) lost to Providence 67-58.
No. 12. Chiu. Sado (11-4) lost to Drice, 54-43.
No. 25. Chemon (13-6) lost to Florido 51. 70-64. LEADING COLLEGES

Boston U, 84. New Hampshire 49 Connecticut 101, Note Dome 70 La Salle 75, Virginia Tech 67 Maine 90, Northebstern 70 Nisgora 51, Monhadren 49 Quinciples 73, Wooner 71, 07 Siena 96, Fairfield 82

STOREST? YOU WAKE ME UP AT 2 AM TO ASK

IF PEOPLE GROW FROM STAKES! ARE YOU OUT OF YOUR MIND?

AUSTRALIA VS. SRI LANKA WEDNESDAY IN SYDNEY Sn Lanko. 259-9 in 50 overs. ustralia: 260-2 in 46.1 overs. Australia beat Sri Lanks by eight wickets

TRANSITIONS

BASEBALL HAJOR LEAGUE BASEBALL AMERICAN LEAGUE ANAMENN—Agreed to berms with OF Matt Line on 1-year contract, CHICAGO WHITE SOX—Acquired RHP Dar-ren Hall from the Los Angeles Dodgers for C

NATIONAL LEAGUE
HOUSTON-Signed C Tony Eusebio Ini LOS ANGELES-Signed LHP Greg Codorel Tony Womack on 1-year contract.

ned OF Darren Broom to 1

DENNIS THE MENACE



"Dad burned his English Muffin, so I'm using h' for a puck!"



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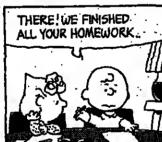
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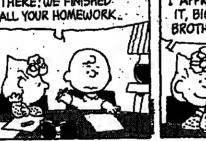
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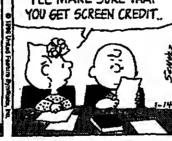
HOW COME THERE ARE

HUSSANDS WOULD HAVE LOVED THEM AND I'M

HAD FOUR

NO SIMPLE SOLUTIONS?



























SHE DIDN'T ANSWER. SHE MUST

NOT KNOW





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ART BUCHWALD

Surprise Witnesses

NEW YORK — If the impeachment trial goes on much longer, the public can the Pennsylvania Avenue Dry Cleaners." Mr. Eckstrom. Tell us expect a few surprises. They your story. are inured to television dra-mas where, at the last mo-of Monica Lewinsky when I ment, a witness or a piece of accidentally spilled Elmer's evidence is suddenly produced to save the defendant.

Glue on it. I tried to get it out without success so I sent it duced to save the defendant. There are some scenarios I

have in mind as to what would make a satisfying climax to

this dreary proceeding.
At the last just moment, as Henry Hyde is summing up, Jones dashes into the

courtroom and says: "I made a mistake. It was the other Bill Clinton, who owns the Little Rock Car Wash. I beg the president's forgiveness for putting him through this horrible ordeal, and I am giving him back his \$800,000." The Senate unanimously votes not guilty.

Or perhaps this version: The White House counsel says, "If it please the court, we have a surprise witness who can shed light on this

back with a note and a check from the insurance company for \$59.95."

Senator Trent Lott says, "This puts an entirely dif-ferent slant on the case." A final ending to this epis-

ode that would satisfy every-one would be when a White House lawyer rushes into the Senate chambers just as Strom Thurmond is summing up. "Your honor," he addresses Chief William Justice

Rehnquist, "these papers were just found in a pumpkin in Philadelphia. They were left by our Founding Fathers. They say they would never consider phone sex a high crime or a misdemeanor. It was the Founding Fathers' wish that such a charge, if made, be im-mediately dropped and the president be fined \$13.50."

After hearing the convinwho can shed light on this cing evidence, the Senate case — Samuel Eckstrom of shouts: "Not Guilty!"

George Harrison Wins Satisfaction The Associated Press

LONDON — George Harrison won an apology and money over a false charge that he demanded sexual favors from a young woman in return for a donation to charity.

The accusation against the former Beatle was contained in

the book "All Dressed Up: The Sixties and the Counter Culture," published last year by Random House UK.

Harrison sued the publisher and the author, Jonathon Green, for libel, and on Monday was exonerated when the publisher agreed to pay Harrison's legal costs as well as an undisclosed

"The allegation is untrue and the defendants now ac-knowledge this to be the case," Harrison's lawyer, Norman Chapman, told the court.

Giles Crown, the lawyer for Random House and Green, said both were very sorry for the damage and embarrassment they had caused. Random House already had withdrawn the book.

Tinseltown, Where Everyone's a Star, Dahling

By Neil Strauss

NAHEIM, California - The A NAHEIM, California — The first "adventure" you encounter upon arriving at Tinseltown Studios, a new theme park and dinner-theater complex near Disneyland here, is having your name on the guest list.

Next you walk to a large grated door, which opens to reveal a red carpet and banks of klieg lights shooting into the sky. A throng of teenagers descends on you waving autograph pads, followed by paparazzi setting off flash bulbs in your face, reporters brandishing note pads and television news crews stopping you for interviews.

And so begins one of the strangest

entertainment business has created in this decade. At Tinseltown, "customers" and "guests" are the wrong words to describe those who buy \$45 tickets. Once inside the \$15 million complex, they are referred to by the employees as "stars." Even the tickets are designed to look like exclusive gala invitations.

Tinseltown is predicated on the fantasy of practically every couch potato, moviegoer, music fan and tabloid reader: For one night they can be their idols. Despite the death of Diana, Princess of Wales, while fleeing paparazzi, and the endless intrusions into the private lives of celebrities from Dennis Rodman to Bill Clinton, the dream of being famous has hardly faded. Tinseltown is the logical end point of the culture's increasing celebrity worship, an answer of sorts to the riddle Woody Allen poses in ''Celebr-ity'': What would happen if everyone were famous?

In the simplest definition, celebrities are those who are known to people they do not know: wheth-

is the basic tenet of Tinseltown. It centers on the ego, on vanity, on the desire of human beings to prove their specialness to strangers. There is no shortage of people who be-lieve it is their destiny to bask in the

spotlight, to be the envy of others.
"Walking up on the carpet, all these people coming up to you and treating you like you're in real movies - that's our dream," said Susan Scanaliato, a 17-year-old student of the musical theater who visited Tinseltown recently with her friends.

The idea for Tinseltown, said Jim Garber, one of its originators, was based on this desire. "It started with the idea that everybody would love to live that fantasy of being at And so begins one of the strangest the Academy Awards, not just and most revealing spectacles the watch it on TV," he said, "where you could walk the carpet, be in the spotlight and, if you're lucky, be on the stage winning an award.

On a recent evening Tinseltown was nearly filled to its 700-person capacity, with families from the surrounding area, groups of stu-dents who were friends of Tinseltown staff members and a few couples who dressed for the occasion in tuxedos and evening gowns. Passing through the gates toward the mock movie studio, the "stars" were ambushed on the red carpet as celebrities at an awards show are accosted by E! Entertainment Television, another symptom

of a celebrity-obsessed culture. Barraged by questions about who would share their next love scenes, they improvised: Leonardo Di-Caprio, Pamela Anderson, Barney. Asked about her next movie, a 70year-old woman replied, "I only do Shakespeare now.

The stars for a day were greeted by spotlights, more cameras and excited applause from the servers. handed them a speech derived from Since Tinseltown is owned by Og- an actual Academy Awards thank er an Academy Award-winning den Entertainment, which is also a you. In case anyone felt left out, actor, a high school track hero or a food and beverage company, it costwhite-collar worker caught in an effectively merged its businesses affair that has the whole office and served dinner, with steak and and served dinner, with steak and abuzz. In general, the more salmon entrees included in the ticket strangers who know who you are, price but drinks extra (despite a Pep-the more famous you are. And this si commercial shown on giant tele-



Gail Hobberman getting the red-carpet Tinseltown treatment.

vision monitors during the meal). As they are, the stars watched the reprise of their red-carpet interbackstage studio and edited (rather lamely) into movie scenes: opposite Anthony Perkins in "Psycho,"
Kathy Bates in "Fried Green To-matoes" or Sam Neill in "Jurassic Park." These clips were shown to the audience, which selected a winner, leading to the evening's climax in which awards were given out for

best actor and actress. In case the winners weren't cre-"taking unknown people and turn-ing them into screen legends" waiters came up to the tables and said things to plainly dressed people like, "Wow, look at all the stars."

Indicrous, fame is changing in the a number of other places in the U.S. at home, where no one could bother '90s. The multiplication of media for Tinseltown.'

has made it much easier and faster to be a celebrity, whether by being on the Internet, starting a publicviews. Some stars were ushered to a access television show, getting on a talk show, being selected for "The amely) into movie scenes: opposvourself on billboards or doing something extraordinary or atrocious enough to get noticed by a

news outlet. Now Tinseltown has upped the ante in the fame game: being a celebrity is no longer just an aspiration or an accident, it is also something people do for fun.
"We clearly went into Tinsel-

ative enough, employees at Tin"We clearly went into Tinselseltown — where the slogan is town with the expectation that it's a concept that could be exported to other markets," said Tom Eder, a senior vice president at Ogden. "It's prudent to wait six mouths to a year first, but right now the signs are positive. We've gotten a number of inquiries from tourism commissions in places in Asia, like Though this at times seems Tokyo. But frankly I think there are

The secret to Tinseltown, the aspect guests said they enjoyed most, is simply seeing themselves and their friends on screen and onstage. They poke and prod one another, laugh and applaud whenever a friend appears on the video monitors. It is fame at its most basic. being recognized and appreciated by a roomful of people you don't know. The fundamental appeal of Tinseltown is not that different from the desire to show guests

home videos.

But there is always someone who wants more. Employees at Tin-seltown constantly see people trying to use whatever means are available - usually looks or money, as in the real world -- to get more attention

than the other temporary stars.
"One of our management people was approached by someone who said he'd pay \$1,000 if his wife could get on-stage and sing the 'Titanic' theme song,' Eder remembered.

The answer to Woody Allen's commdrum about a world where everyone is famous may be that once everybody is a star, people must do, something more to stand out. That's wby words like superstar and megastar were invented. When that'a not enough, someone will start calling them planets and galaxies.
Still, most celebrities will tell you

that fame is a black hole. In the same way that an amusement park ride. name mining or mountain climbing into safe thrills open to everyone, Tinseltown misrepresents fame.

accurate celebrity experience, it would let guests punch the photographers. While the stars ate dinner, people would bother them for antographs and hand them scripts, business cards and affidavits. For degrees, the stars are started as a started and affidavits. If it wanted to give guests a more dessert, the stars would be served faux tabloid magazines with compromising cover photographs of them and gossip about what they whispered at dinner.

By the end of the evening, the

guests would just want to be alone

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PEOPLE

HE top spot on Mr. Blackwell's list A of the worst-dressed women has gone to Linda Tripp. Monica Lew-insky's former friend has a look that makes her "the 'Starr' of her very own 'Stylegate," the former fashion designer said. Madonna, a favorite Black-well target, was second ("Mama Madonna has become a neo-Gothic fright") and Kate Winslet was third ("Her wardrobe should have gone down with the Titanic") on Blackwell's 39th annual list. Carmen Electra, wife of the cross-dressing baskefball bad boy Dennis Rodman — he topped Blackwell's list two years ago — was No. 4. The rest of the list: the singers Courtney Love and Mariah Carey and the actresses Marisa Tomei, Sigourney Weaver, Sandra Bullock and Alex Kingston.

Whoopi Goldberg will be back at the Academy Awards ceremony on March 21, taking over from the popular host Billy Crystal. Crystal, who won an Emmy for last year's show, reportedly decided last week that he didn't want to

be the host this year. Goldberg earned Emmy nominations for her work as host of the shows in 1994 and 1996.

Max Baer, who played Jethro in the 1960s TV comedy "The Beverly Hill-

Kazan Is to Be Awarded an Honorary Oscar

OS ANGELES — Blia Kazan, the ailing 89-year-old director who in recent years has been rejected for several lifetime achievement awards because he informed on friends during the height of the McCarthy era, will be given an honorary Academy Award at the Oscar ceremonies on March 21.

The decision by the board of the Academy of Motion Picture Arts and Sciences to give Kazan an honorary Oscar is, in some ways, a direct rebuke to

the American Film Institute, which has gone out of its way to ignore Kazau in its yearly awards. Kazan is perhaps the foremost filmmaker of the 1950s and '60s, director of such classics as "On the Waterfront," "A Streetcar Named Desire," "Viva Zapata!" and "East of Eden."

His name still stirs debate and even animosity because of his appearance

before the House Committee on Un-American Activities on April 10, 1952, when he informed on eight friends who had been fellow members of the

Communist Party in the 1930s. Among those whose careers were damaged were

the actors Morris Carnovsky and Art Smith and the playwright Clifford Odets.

barrassment, but Baer threatened to take his hotel elsewhere if the derrick was not allowed. He said it would bring a re-cognizable landmark to the city.

Dustin Hoffman testified in a Los Angeles court that Los Angeles Magazine made him an unpaid fashion model by running a computer-altered photograph of him wearing a dress. Hoff-man, the star of the 1982 cross-dressing comedy "Tootsie," contends in a law-suit that he did not give the magazine permission to use his picture in an ad with the words: "Dustin Hoffman isn't a drag in a butter-colored silk gown by Richard Tyler and Ralph Lauren heels."

John Kennedy Jr. has a new secondin-command at his magazine, George Richard Blow, who will be executive editor. Blow, who has been the magazine's senior editor and Washington-affairs editor, succeeds Elizabeth Mitchell, who cited "creative differences" in resigning last week.



BABY STEPS - A four-week-old pigmy hippo meets the press Wednesday at Whipsnade Animal Park north of London. Veterinarians performed an emergency Caesarean on her mother, who died:



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